

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued May 14, 1953

For actions of May 13, 1953

83rd-1st, No. 87

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

CONTENTS

Appropriations.....5,6	Lands, public.....7	St. Lawrence seaway.....14
Banking and currency.....2	Minerals.....11	Taxation.....10
Dairy industry.....3	Monopolies.....13	Tobacco.....21
Economic controls.....1	Personnel.....9,18	Trade, foreign.....16
Education.....4,17	Prices, cattle.....19	Treaties.....15
Farm policy.....12	Research.....8	Water conservation.....20
Foreign aid.....18	Retirement.....10	

HIGHLIGHTS: Senate debated economic-controls bill. House committees reported Treasury-Post Office appropriation bill and rule for its consideration.

SENATE

1. ECONOMIC CONTROLS. Continued debate on S. 1081, to authorize temporary economic controls (pp. 5003-14, 5028-30).
2. BANKING AND CURRENCY. Sen. Murray spoke in favor of S. Con. Res. 28, which would require the Federal Reserve System to support Government securities at par, "thereby enabling the Government to borrow at lower interest rates" (pp. 4993-4).
3. DAIRY INDUSTRY. Sen. Wiley said public and private agencies should encourage greater consumption of dairy products and thereby solve the surplus problem (p. 4994).
4. EDUCATION. Sen. Wiley spoke in favor of adequate appropriations for vocational education in agriculture (p. 4994).
5. APPROPRIATIONS. In reporting the first independent offices appropriation bill, H. R. 4663 (see Digest 86), the Appropriations Committee increased Civil Service Commission from \$16,064,323 to \$17,000,000; increased National Science Foundation from \$5,724,400 to \$10,000,000, decreased the emergency fund for the President from \$500,000 to \$300,000, decreased emergency operating expenses of GSA from \$22,668,250 to \$20,000,000, increased GSA operating expenses for public buildings from \$98,826,070 to \$104,750,000, and decreased National Archives and Records Service from \$5,625,000 to \$5,525,000.

HOUSE

6. APPROPRIATIONS. The Appropriations Committee reported H. R. 5174, the Treasury-Post Office appropriation bill for 1954 (H. Rept. 416), and the Rules Committee reported a resolution waiving points of order on the bill (p. 5071). Following are excerpts from the committee report:

Accounts Bureau. "The committee recommendation of \$1,800,000...is a reduction of \$200,000 from the amount requested and from the amount appropriated for the current fiscal year. The proposed reduction contemplates...savings applicable to establishment of Central Accounts; delay in review and audit of old suspense accounts; ~~decrease in~~ projects for improving accounting and reporting and internal audits!"

Disbursement Division. "The committee recommends...\$11,000,000 which is a reduction of \$1,065,000 from the amount requested and \$1,200,000 from the appropriation for the current fiscal year. It is suggested that personal service costs can be reduced...through...suspension of the mechanization program."

7. SUBMERGED LANDS. Agreed, 278-116, to the Senate amendments to H. R. 4198, to establish State title to submerged lands (pp. 5064-6). This bill will now be sent to the President.

Passed, 309-91, H. R. 5134, to confirm Federal jurisdiction over submerged lands in the Continental Shelf seaward from State boundaries (pp. 5044-63).

8. RESEARCH. As reported (see Digest 85), H. R. 4689 removes the limitation of \$15,000,000 on the annual appropriation authorization for the National Science Foundation. The committee report states: "...economies can be achieved by centralizing in the National Science Foundation programs which are now carried out by several agencies." The committee report quotes a Budget Bureau letter stating as follows: "The removal of the limitation is not expected to result in an increase in total Government expenditures for the support of research. The National Science Foundation is now commencing a study which will result in recommendations as to the desirable goals and objectives of the Nation's research activities and the appropriate part for the Federal Government in this effort. When this study is completed, consideration will again be given to the proper level of Federal support of basic research. In the meantime, it will be desirable and economical to continue the gradual process of centralizing in the National Science Foundation, the general purpose basic research support programs of the Federal Government."

9. PERSONNEL. Received a Society of Cincinnati petition for removal of communists from Government service (p. 5072).

BILLS INTRODUCED

10. PERSONNEL. H. R. 5180, by Rep. Mason, to exempt \$125 per month of retirement income from taxation (p. 5072); to Ways and Means Committee.
11. MINERALS. S. 1894, by Sen. Butler, Nebr., "relating to the reservation of mineral rights in land patented under the nonmineral land laws"; to Interior and Insular Affairs Committee (p. 4993).

ITEMS IN APPENDIX

12. FARM POLICY. Rep. Price inserted an article by Thomas Stokes criticizing the President and the Secretary for cutting funds on "social gains" including REA (pp. A2751-2).
13. MONOPOLIES. Sen. Mansfield inserted an address by George Burger favoring enforcement of the antitrust laws (pp. A2701-2).
14. ST. LAWRENCE SEAWAY. Extension of remarks of Rep. Radwan opposing this project (pp. A2707-8). Rep. Van Zandt inserted a Beaumont Enterprise editorial opposing the project (p. A2759).

NOTICE.—This report is given out subject to release when consideration of the bill which it accompanies has been completed by the whole committee. Please check on such action before release in order to be advised of any changes.

83D CONGRESS	}	HOUSE OF REPRESENTATIVES	}	REPORT
1st Session				No. —

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL, 1954

MAY 13, 1953.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. CANFIELD, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H. R. 5174]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1954. The bill includes action on all estimates contained in the 1954 Budget for the above-mentioned departments of the Government, the estimates for which are contained in the 1954 Budget (H. Doc. 16, 83d Congress), as follows: for the Treasury Department on pages 874 to 909 inclusive, and for the Post Office Department on pages 837 to 847 inclusive.

The Committee has deferred action on the Export-Import Bank of Washington since there is pending Reorganization Plan No. 5 of 1953, the purpose of which is to simplify the organization and strengthen the administration of this Bank, and on the Reconstruction Finance Corporation budget program since at the time of the hearings there was pending executive determination as to the future status of the Corporation. Appropriate consideration will be given these two agencies at a later date.

Subsequent to the start of hearings on the budget submission of January 9, 1953, and under authority of a letter dated February 3, 1953, from the Director of the Bureau of the Budget addressed to all

Departments and agencies of the Government directing a review of the 1954 budget as submitted on January 9, 1953, the agencies of Government concerned herein have submitted revised estimates and the committee has given consideration to the later estimates and recommendations included therewith. In order that proper evaluation be given the submission of January 9, 1953, the tables beginning on page 28 of this report are based upon the figures contained therein and any changes appearing in the tables are based upon the figures contained in the Budget submission of January 9, 1953 rather than upon changes from the informal revised submission. Throughout the report will be found information concerning the informal revised submission and the recommendations included therewith. Near the end of the hearings on each of the Treasury Department appropriation items will be found the hearings on the revised estimates for that Department. Hearings for the Post Office Department were conducted on the original and revised estimates.

APPROPRIATIONS AND ESTIMATES

The following tabulation summarizes the amount of the direct annual appropriations recommended in the accompanying bill in comparison with the corresponding budget estimates and 1953 appropriations:

	Treasury Department	Post Office Department	Total
Appropriations, 1953 ¹	\$655, 770, 000	\$2, 793, 800, 000	\$3, 449, 570, 000
Estimates, 1954.....	665, 328, 000	2, 906, 800, 000	3, 572, 128, 000
Bill, 1954.....	611, 895, 000	2, 832, 250, 000	3, 444, 145, 000
Bill compared with 1953 appropriations.....	-43, 875, 000	+38, 450, 000	-5, 425, 000
Bill compared with 1954 estimates.....	-53, 433, 000	-74, 550, 000	-127, 983, 000

¹ Includes \$750,000 appropriated in the Second Supplemental Appropriation Act, Public Law 11, 83rd Congress, approved Mar. 28, 1953.

SUMMARY OF THE BILL

The total of the regular annual appropriations, carried in titles I and II of the bill is \$3,444,145,000 a reduction of \$127,983,000 in the budget estimates for direct appropriation. The amount recommended in the bill is \$5,425,000 less than the amount of regular annual appropriations for 1953 for these Departments. This reflects a recommended appropriation for the Treasury Department of \$611,895,000, with a civil personnel employment of approximately 76,157 average positions, a reduction of 3,167 average positions below the number carried in the request submitted on January 9, 1953. Under this appropriation the military personnel of the United States Coast Guard would be reduced by 1,159 during the year, from 34,836 to 33,677.

The recommended appropriation for the Post Office Department of \$2,832,250,000 contemplates the employment of some 520,000 civilian personnel.

TREASURY DEPARTMENT

PERMANENT APPROPRIATIONS AND TRUST FUNDS

The Treasury Department is responsible for the administration of permanent indefinite appropriations, which are fixed charges and cannot be reduced, and certain trust funds. The largest of these permanent indefinite charges which falls under the general and special funds category is for interest on the public debt for which \$6.35 billion is budgeted for fiscal year 1954. This reflects a decrease of \$100 million below the requirements of fiscal year 1953 for the same purpose. The decrease does not, however, indicate a reversal of the upward trend in interest payments but reflects an unusual situation which occurred during the fiscal year 1953. More than \$15 billion in certificates of indebtedness which paid almost a year's interest at maturity were refunded early in the fiscal year 1953 into new obligations on which interest payments for half a year or more are due on June 1, 1953. Thus about 20 months' interest on this portion of the debt falls due during the current fiscal year.

All other permanent indefinite appropriations will be found listed in the table appearing on page 28, reflecting estimates for fiscal year 1954 of \$9,605,990,370 as compared with \$9,655,256,570 for fiscal year 1953, a decrease of \$49,266,200.

All trust funds, which are not a charge against revenue, will be found listed in the table appearing on page 29, reflecting estimates for fiscal year 1954 of \$6,382,338,504 as compared with \$5,995,035,780 for fiscal year 1953, an increase of \$387,302,724.

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

The appropriation "salaries and expenses", office of the Secretary, is to aid the Secretary in the direction and administration of the Department. It provides funds for the requirements of the Secretary's immediate office, his staff assistants, and that of the General Counsel and Office of Administrative Services. It also provides funds for an employee's health program in the District of Columbia, legal services for Treasury organizations which do not have such facilities, a building maintenance and operation program, and central administrative services for the staff offices of the Secretary and departmental headquarters.

The committee concurring in the recommendation of the Secretary recommends an appropriation of \$2,400,000, which reflects a reduction from the amount requested in the estimates submitted on January 9, 1953, of \$220,000, and an amount of \$185,000 below the funds appropriated for the current fiscal year. The reductions are to be accomplished through a decrease in the amount of clerical and staff assistance in the Secretary's office and the office of the General Counsel, by a reduction of administrative services furnished the offices of the Secretary and Departmental headquarters, a reduction of buildings maintenance services and decrease in the expenditures proposed for supplies and materials for repair and upkeep of 2 buildings and a reduction in the number of health units from 4 to 3.

BUREAU OF ACCOUNTS

The Bureau of Accounts maintains central revenue, appropriation, and expenditure accounts of the Government and performs other fiscal functions, including the supervision of Treasury accounting systems and participation in the joint accounting improvement program with the General Accounting Office and the Bureau of the Budget; and through the Division of Disbursement makes disbursements for and receives collections from the several civil establishments of the executive branch of the Government, except the Post Office Department.

The functions of the Bureau of Accounts are administered and paid for through two appropriation accounts, the first being "Salaries and Expenses, Bureau of Accounts," for which \$2,000,000 is requested; and the second being "Salaries and Expenses, Division of Disbursement", for which \$12,065,000 is requested.

Activities payable from the appropriation account "Salaries and Expenses, Bureau of Accounts", include "Processing deposits of withheld tax payments," "Financial reporting and maintenance of the Government's central accounts", "Development and installation of accounting and reporting systems", "Processing investments, loans, claims, collections and surety bonds", "Supervision of the Federal Depositary System", and "Executive Direction". Also there has been transferred to this Bureau for liquidation the Motor Carrier Claims Commission, the Commission on Renovation of the Executive Mansion, and the National Capital Sesquicentennial Commission. The work of liquidating these agencies will carry over into fiscal year 1954 but no additional funds are requested for this work.

Functions of the Bureau of Accounts compared with its former functions were modified to some extent by Department Order No. 164 effective January 4, 1953, the modification being explained by the statement in the hearings beginning on page 80.

The committee recommendation of \$1,800,000 for fiscal year 1954 is a reduction of \$200,000 from the amount requested and from the amount appropriated for the current fiscal year. The proposed reduction contemplates reductions in the cost of handling and in volume of withheld tax payments; reduction of stocks of depositary receipts and envelopes in Federal Reserve Banks; savings applicable to establishment of Central Accounts; delay in review and audit of old suspense accounts; discontinuance of preparation of foreign currency tables, tables for Moody's Manual, cash expenditures abroad and other statements; reduction of inventories; decrease in staff and clerical assistance for projects for improving accounting and reporting and internal audits; curtailment of travel; and reductions in supervision and executive direction.

DIVISION OF DISBURSEMENT

The Division of Disbursement, through its Washington and regional offices makes payments, receives and deposits collections for civilian Federal agencies (except the Post Office Department and certain Government corporations), and issues savings bonds for Federal employees under the payroll-savings plan. It serves 311 administrative offices in Washington and 1,651 in the field. It operates 26 regional offices located in the financial centers of the United States and the Territories. The volume of business handled by the Division

is generated by agencies over which it has no authority, and which it can in no way alter or control. For the fiscal year 1952 the Division handled 198,120,498 items at a unit cost of \$0.0640. It is anticipated that for the current fiscal year 201,465,500 items will be processed at an average unit cost of \$0.0629. The request for appropriation for fiscal year 1954 is based upon the estimated requirement of processing 207,629,000 at an average unit cost of \$0.0614.

The committee recommends an appropriation of \$11,000,000 which is a reduction of \$1,065,000 from the amount requested and \$1,200,000 from the appropriation for the current fiscal year. It is suggested that personal service costs can be reduced in non-operative functions such as inspections, audits and maintenance of various control accounts; a decrease in unit cost through increased production rate; and a possible reduction in volume due to the overall reduction of Government expenditures. Other reductions may be affected through reducing inventories; curtailing travel; and suspension of the mechanization program. The proposed reduction has the approval of the Secretary.

BUREAU OF THE PUBLIC DEBT

The appropriation for "Administering the Public Debt" provides funds for the conduct of all public debt operations, promotion of the sale of United States savings bonds and stamps, and verification and destruction of unfit United States currency.

The largest volume of work to be performed under the Bureau of the Public Debt is in the "Issuance, servicing, and retirement of savings bonds." The volume of work cannot be controlled by the Bureau but is dependent upon the sales, service and redemption functions. Before sales can be made bonds must be printed and distributed to sales points and issue records established. Upon redemption the paying agents must be reimbursed and retirement recorded. Other and related work of a lesser volume but incidental to this activity must be performed and records kept concerning it. For this purpose \$38,079,100 is requested, which reflects a reduction of \$2,200,200 from the request contained in the budget estimates submitted January 9, 1953, and an increase of \$1,598,695 over the amount appropriated for the fiscal year, not considering any part of the funds appropriated in Public Law 11, 83d Congress, which may be allocated to this purpose.

The "Issuance, servicing, and retirement of Treasury securities" other than savings bonds constitute the second largest requirement of this Bureau. For this purpose \$6,551,500 is requested, which reflects a reduction of \$336,000 from the amount requested in the estimates submitted on January 9, 1953, and an increase of \$3,200 over the funds allocated for this purpose for the current fiscal year. As in the case of savings bonds the volume of work in this field cannot be controlled by the Bureau but is based primarily on the assumption that maturing or callable issues will be replaced with like securities with perhaps some increases.

Under the activity "Verification and Destruction of Unfit United States Currency" for which \$773,900 was requested in the estimates submitted on January 9, 1953, it is proposed to change the system by decentralizing the function to the Federal Reserve Banks and thus eliminate the entire request for appropriation. Under the current

system the currency that is unfit for further circulation is sorted out as it flows through the Federal Reserve Banks for return to the Treasury. The unfit currency is cut in half lengthwise, packaged in straps of 100 pieces, 40 straps to a bundle, the upper halves being sent to the Office of the Treasurer of the United States and the lower halves to the Bureau of the Public Debt, where they are verified by electronic counters and manually. It is now proposed to perform this entire activity in the Federal Reserve Banks.

Under the activity of "Maintenance and Audit of Public Debt Accounts" for which \$1,009,800 is requested the Bureau maintains administrative control accounts over all security transactions with which the Bureau is charged, and related transactions conducted by the Treasurer of the United States, and Federal Reserve Banks acting as fiscal agents for the Treasury. The request reflects a reduction of \$48,100 below the amount requested in the estimates submitted on January 9, 1953, and a reduction of \$30,600 below the amount allocated to this purpose for the current fiscal year.

Another and very important activity of the Bureau of the Public Debt is the "Promotion of the sale of savings bonds" for which \$4,875,600 is requested. It is the purpose of this activity to maintain a wide distribution of the national debt; sell Savings Bonds to the public in amounts that will offset maturities and redemptions and insofar as possible provide funds for retiring bank held debt; aid in combating inflation by draining off excess purchasing power; promote thrift, and thereby create future purchasing power. To accomplish this purpose the program is to get more people to buy bonds; acquaint people with the new and advantageous changes made in the terms of bonds; and encourage established buyers to hold maturing E-bonds for an additional period up to 10 years. The effectiveness of the program will be found outlined in testimony before the committee beginning on page 165 of the hearings. The amount requested for this purpose reflects a reduction of \$541,800 below the amount requested in the estimates submitted on January 9, 1953, and below the amount allocated for this purpose for the current fiscal year.

For "Executive direction" of the above activities the request is in the amount of \$484,000, which is a reduction of \$100,000 below the amount requested in the estimates submitted on January 9, 1953, and the amount allocated for this purpose during the current fiscal year.

The committee recommends for "Administering the Public Debt" an overall appropriation of \$50,000,000, which is \$5,000,000 below the total amount requested in the estimates submitted on January 9, 1953, and \$1,750,000 below the total amount appropriated for this activity for the current fiscal year including \$750,000 appropriated in the Second Supplemental Appropriation Act, approved March 28, 1953, Public Law 11, 83d Congress. The committee action contemplates savings to be made through modification of procedures and more effective utilization of manpower and machine time; reductions in payments to the Post Office; reductions in space rental, cost of space and maintenance; reduction in security stock and cost of security stock; deferral of equipment replacement; reduction in staff, in travel and other costs such as supplies in relation to reduction of staff; reduction in certain promotional drives; and reduction in personnel of the Technical Staff through reorganization.

OFFICE OF THE TREASURER

The Office of the Treasurer of the United States is the banking facility of the Government and as such receives, keeps, and disburses the moneys of the United States; receives, stores, issues, transfers and retires currency and coin; redeems Government securities; maintains essential fiscal accounts; and prepares related financial statements and reports. The functions of the office are established by law and must be performed regardless of volume over which the office has little or no control.

The activities for which funds are provided under this appropriation item are (1) "Processing checks, deposits and claims" for which \$3,771,488 is requested; (2) "General banking services" for which \$15,719,113 is requested; (3) "Retirement of currency" for which \$204,784 is requested; (4) "Maintenance of the Treasurer's accounts" for which \$380,154 is requested; (5) "Payment and custody of securities" for which \$288,144 is requested; and "Executive direction" for which \$86,317 is requested.

The activity "Processing checks, deposits and claims" utilizes the services of some 70% of the total personnel of the office and is responsible not only to the Treasury disbursing officers throughout the world but for disbursing officers of the defense establishment, those of the Post Office Department and all other Government entities, including cooperations and performs their own disbursing functions.

The "General banking services" procures all paper currency from the Bureau of Engraving and Printing for issue through the Federal Reserve banks to financial institutions throughout the country, and thence to trade channels. The coin necessary to meet financial and trade requirements is supplied by the Mints on order or authority from the Treasurer.

The activity "Retirement of currency" performs the functions of redemption and retirement of United States, Federal Reserve bank and National bank currency. It also provides for the determination of the redemption value of all mutilated and burned paper currency presented, and issues checks in payment thereof.

The activity "Payment and custody of securities" provides the clerical work for the payment of principal and interest on public debt obligations mainly of Government corporations, and provision for safekeeping facilities for securities, trust funds and savings bonds.

The committee recommends an appropriation of \$17,000,000 for "Salaries and Expenses, Office of the Treasurer". This is a reduction of \$3,450,000 in the estimates submitted in January and \$3,500,000 below the amount appropriated for this purpose for the current fiscal year. The action of the committee contemplates reductions due to additional conversions from the use of paper to card checks on large accounts of the Post Office and the military; accumulation of backlogs in processing checks and claims; reduction in over-the-counter banking services; decrease in purchases of currency; delay in processing over-the-counter bond transactions, and a reduction in the unit cost rate for the purchase of currency due to the management improvement program in the Bureau of Engraving and Printing.

CONTINGENT EXPENSES, PUBLIC MONEYS

The appropriation request for "Contingent Expenses, Public Moneys" under the Office of the Treasurer of the United States is to cover expenses in collecting, safekeeping, transferring, or disbursing public moneys; the cost of transportation of currency and coin, and securities of the United States; and the purchase of supplies such as coin bags and webbing straps. No part of this request is for personal services.

In the January submission of the budget a request of \$550,000 was included for the above purposes. The revised estimates reduced the request by \$200,000 which was the amount included in the original request to cover the cost of postage and telegraphic communications incident to the shipment of unfit paper currency to Washington for redemption and retirement. The committee was informed that a survey is currently being made as to the possibility of decentralizing the redemption of unfit currency, thus voiding necessity for its shipment to Washington. It was upon the assumption that such decentralization would be accomplished prior to July 1, 1953 that the revised estimates suggested the reduction of \$200,000. The committee accepts the assumption and recommends for appropriation \$350,000 under this title.

BUREAU OF CUSTOMS

The principal functions of the Bureau of Customs are to assess and collect duties and taxes on imported merchandise and baggage; prevent smuggling, undervaluations, and frauds on the customs revenue; apprehend violators of the customs and navigation laws; enter and clear vessels and aircraft; issue documents and signal letters to vessels of the United States; admeasure vessels; collect tonnage taxes on vessels engaged in foreign commerce; supervise the discharge of imported cargoes; inspect international traffic; control the customs warehousing of imports; determine and certify for payment the amount of drawback due upon the exportation of articles produced from duty-paid or tax-paid imports; enforce the antidumping and export control acts; regulate the movement of merchandise into and out of foreign trade zones; and enforce the laws and regulations of other Government agencies affecting imports and exports.

In its report of last year this committee indicated its belief that the Treasury Department should give consideration to the creation for the Bureau of Customs of a regionalized organization such as that being then proposed for the Bureau of Internal Revenue, and that it should press for enactment of the Customs Simplification Act which had at that time been passed by the House of Representatives. The accomplishment of the desired reforms has not been attained and it is suggested that consideration be again given to these matters and that they be pressed to a successful conclusion.

SALARIES AND EXPENSES

Activities for which funds are provided under the appropriation title "Salaries and Expenses, Bureau of Customs" include (1) Assessment and Collection of Duties, Taxes and Fees, (2) Appraisal of Imported Merchandise, (3) Investigations of Violations of Customs

and Related Laws and Regulations, (4) Audit of Collection and Merchandise Accounts, (5) Analysis and Identification of Merchandise for Tariff Purposes, and (6) Executive direction.

Assessment and Collection of Duties, Taxes and Fees.—Under this activity the collectors of customs assess and collect the duties and taxes on imported merchandise, inspect international traffic, combat smuggling, perform certain marine activities, relating to ownership and documentation of vessels of the United States and the movement of vessels in the foreign trade, and enforce the laws of other Government agencies affecting imports and exports. The committee recommends for this activity \$30,657,300, which is a reduction of \$1,088,900 below the estimate submitted in January and \$230,700 below the amount allocated for this activity during the current fiscal year. The committee action contemplates a reduction of 291 average positions, from the 6,131.4 requested in the January submission to 5,840.4.

Appraisal of Imported Merchandise.—Under this activity customs appraisers determine the value of imported merchandise, its admissibility into the United States, and establish that merchandise has been properly invoiced. For this activity the committee recommends \$4,816,700, a reduction of \$298,900 below the estimate submitted in January and \$80,000 below the amount allocated for this activity during the current fiscal year. The committee action contemplates a reduction of 23 average positions, from 1,070 requested in the January submission to 1,047.

Investigations of Violations of Customs and Related Laws and Regulations.—Under this activity investigations are made covering such things as violations of the Tariff Act, the Narcotics Drug Act, the Gold Reserve Act, the Export Control Act, and other laws affecting the movement of merchandise into and out of the United States. The committee recommends for this activity \$1,877,000, a reduction of \$43,200 below the estimate submitted in January and \$30,000 below the amount allocated for the current fiscal year. The committee action contemplates a reduction of 8.5 average positions, from 281 requested in the January submission to 272.5.

Audit of Collection and Merchandise Accounts.—Under this activity comptrollers of customs examine and certify collectors' accounts of receipts and disbursements of money and receipts and disposition of merchandise, and verify collectors' final assessments of duties and taxes, as well as allowances of drawback. The committee recommends for this activity \$1,181,000, which is a reduction of \$18,000 below the estimate submitted in January and the same amount below the amount allocated for the current fiscal year. This action contemplates a reduction of 5 average positions, from 212 requested in the January submission to 207.

Analysis and Identification of Merchandise for Tariff Purposes.—Under this activity customs laboratories perform scientific analysis and identification of merchandise for tariff and enforcement purposes. The committee recommends \$682,000 for this activity which is a reduction of \$31,000 below the estimate submitted in January and \$11,000 below the amount allocated for the current fiscal year. This action contemplates a reduction of 3 average positions, from 119.3 requested in the January submission to 116.3.

Executive direction.—The committee recommends an appropriation of \$1,286,000 for the Executive direction of the above activities. This reflects a reduction of \$20,000 below the estimate submitted in January and the same amount below the amount allocated for the current fiscal year. This action contemplates a reduction of 4.5 average positions, from 227 requested in the January submission to 222.5.

To recapitulate the committee recommends an appropriation of \$40,500,000 for "Salaries and Expenses, Bureau of Customs", which is a reduction of \$1,500,000 below the estimate submitted in January, and contemplates a reduction in average positions of 335, from 8,040.7 to 7,705.7, and recommends the purchase of 50 passenger motor vehicles for replacement only instead of 100 as requested.

BUREAU OF INTERNAL REVENUE

The Bureau of Internal Revenue determines, assesses, and collects all internal-revenue taxes; interprets and enforces the internal-revenue laws; refunds any overpayment of tax or erroneous collections; prepares and distributes tax instructions, regulations, forms, and stamps; and performs other duties under statutes related to internal revenue.

The appropriation request submitted on January 9, 1953, for a total of \$272,500,000, was justified under eight activities as follows: (1) Interpretation of revenue laws and ruling services, (2) Investigation and audit of tax returns, (3) Collection of delinquent tax accounts, (4) Taxpayer conferences and appeals, (5) Regulatory, control, and inspection work, (6) Processing returns, remittances, information documents, and claims, (7) Statistical reporting, and (8) Executive direction.

Under the first activity internal-revenue laws are interpreted, regulations are prepared and promulgated, and rulings are made on issues involving questions of statutory interpretation or application. The committee recommends for this activity \$5,694,332, the same amount as requested in the January submission, which contemplates 1,041.4 average positions.

Primary enforcement work is performed under activity (2) two and consists of all examinations, audits, and investigations for checking correctness and completeness of taxpayers' returns and claims, and for determining the correct tax liability if error in reporting is found. It also covers review of examining officers' reports, postaudit coordination work, obtaining delinquent returns, and conducting special confidential character investigations. The committee recommends for this activity \$138,032,658, the same as requested in the estimate submitted in January, and the same amount allocated for the activity for the current year, and contemplates an employment of 26,059.7 average positions.

Under the third activity measures are taken in the preparation and issuance of pre-warrant notices, service of and collection follow-up on warrants, administration of offers in compromise, and performance of legal work in support of these functions. The committee recommends for this activity \$23,701,955, which is a reduction of \$2,362,000 below the amount requested, but an increase of \$2,213,000 over the amount allocated for this purpose for the current year. It reflects a

reduction of 567 average positions, from 6,262.5 to 5,695.5. It is contemplated the reduction can be accomplished through a revision of procedures to provide for the elimination of distraint warrants for amounts under \$10; elimination of certain types of production reports; mailing of second notices prior to sending account to warrant stage; screening of all accounts of under \$100 by a review of the related tax returns; and re-wording of certain bills and notices to increase their effectiveness.

Activity numbered four consists of all phases of appellate work and associated legal work relating to appeals with respect to tax liability, interest, or penalties, including the preparation of both civil and criminal cases for settlement or trial. For this activity \$13,571,689 is recommended, which is the amount requested and the same as allocated for this purpose for the current year. It contemplates employment of 2,103.5 average positions.

Activity numbered five covers all phases of work involved in the enforcement of the alcoholic beverage, firearms and tobacco laws; tax liability is determined, industry operations and trade practices are regulated, and violations are detected and prosecuted. For this activity the committee recommends \$19,636,438, a reduction of \$508,000 below the amount requested and below the amount allocated for this purpose for the current fiscal year. It contemplates a reduction of employment of 94 average positions, from 3,685.4 to 3,591.4. It is contemplated that by discontinuance of inspection of retail dealers in connection with the detection of re-filled liquor bottles with non-tax paid or inferior spirits; and the discontinuance of checking of retail and wholesale liquor dealers for the special tax stamp, as recommended, the reduction can be accomplished.

Under activity numbered six are performed all the operations incident to the handling of remittances, tax accounting, bookkeeping, and filing of returns and records. It includes such related tasks as billing of taxpayers for current accounts, arithmetic verification of tax returns, computation and scheduling of refunds, determination of tax liability on Form 1040A returns, matching of information documents, assistance to taxpayers in preparation of their returns, correspondence regarding returns and remittances, and preparation of transcripts of returns for authorizing and distributing tax forms and instructions, and all stationery costs of the Bureau. The committee recommends for this activity an appropriation of \$63,281,423, a reduction of \$3,630,000 below the amount requested and below the amount allocated for this purpose for the current fiscal year. It contemplates a reduction in employment of 1,044 average positions, from 16,360.5 to 15,316.5. The proposed savings can be accomplished by a reduction in the number of excise tax returns to be received, assessed, processed and filed by placing them on a quarterly rather than a monthly basis, as recommended; and by the curtailment of matching operations to provide limited sampling of employers returns verified against employees returns, limited sorting and matching of informational forms 1099, as recommended.

Activity numbered seven covers the statistical reporting required by section 63 of the Internal Revenue Code on income and profit taxes. The committee recommends for appropriation, as requested, \$1,680,259, with 436 average positions, the same in both instances as allocated for the current fiscal year.

Activity numbered eight covers Executive direction for which \$401,246 is requested and recommended. 53.7 average positions are requested which is the same number as required for the current fiscal year and no change is anticipated in the requirements for fiscal year 1954.

To recapitulate the request for appropriation for the Bureau of Internal Revenue submitted to the Congress on January 9, 1953, was in the amount of \$272,500,000 and anticipated employment of 56,002.7 average positions. The recommendation for appropriation of the committee has reduced the request by \$6,500,000, to \$266,000,000, and reduced the employment by 1,705 average positions to 54,297.7. The committee recommends also the purchase of not to exceed 100 passenger motor vehicles for replacement only instead of 125 as requested.

The Bureau of Internal Revenue has recently completed a reorganization plan which established 17 districts each under a District Commissioner who reports to the Commissioner of Internal Revenue in Washington, D. C., in lieu of 64 Directors of Internal Revenue. Details of the reorganization plan will be found beginning on page 581 of the hearings. The Commissioner indicated it to be the purpose to work with the new organization and determine to what extent it would meet and fulfill the needs of the service before attempting further reorganization. Since time, effort and expenditures have been utilized in effecting the new organization and since it is realized that no management expert can tell that one type of organization can do a certain thing better than any other type of organization it would appear to the committee that it is proper that the new organization be continued and studied a sufficient length of time to determine its efficiency and effectiveness.

BUREAU OF NARCOTICS

The Bureau of Narcotics administers a program designed to deal with the control of sources of the illicit supply of drugs on international, national, and local levels.

Nationally, the Bureau is charged with the investigation, detection, and prevention of violations of the Federal narcotic and marihuana laws and of the Opium Poppy Control Act of 1942, and related statutes. The scope of the Bureau's operations is gradually enlarging as additional drugs are made subject to these laws.

Opium, coca leaves, marihuana, their more important derivatives, isonipecaine, and 11 recently developed synthetic narcotics found to have addicting qualities similar to morphine or cocaine, are now under international control, the latter having recently been brought under such control.

The enactment of Public Law 255, 82nd Congress, providing mandatory minimum penalties for violations has proven an important aid in discouraging illicit traffic in narcotics and marihuana. Likewise aid and cooperation of State and local narcotic enforcement squads are most helpful in the control of such traffic and should be encouraged.

The Bureau was commended by the committee in its report of last year for its accomplishments. The work is still of a high character but there remains room for improvement, particularly in the Nation's Capitol City. The Bureau contends, with some justification, that the deficiency of narcotic law enforcement in the District of Columbia is

due to inadequate sentences by the judges of the courts of persons convicted of violations of narcotic laws. They point to improved conditions in other jurisdictions where heavier sentences are imposed and say that addicts and peddlers from those jurisdictions come to the District of Columbia to carry on the trade. In order to encourage a better enforcement of the narcotic and marihuana laws the committee proposed to bring these hearings to the attention of judges who preside over courts in the District of Columbia.

The request for an appropriation of \$2,790,000, which is approved by the committee, is the same as was appropriated for this activity for fiscal year 1953. It provides, among other things, for 406 average positions of which approximately 260 are narcotic agents. The workload for the past several years has gradually increased and is estimated to increase about the same percentage during fiscal year 1954.

UNITED STATES SECRET SERVICE

The United States Secret Service operates under the direction of the Secretary of the Treasury. Its major functions are protection of the President and members of his immediate family, of the President-elect, and the Vice President at his request; the detection and arrest of persons committing any offenses against obligations and securities of the United States and of foreign governments; the detection and arrest of persons violating certain laws relating to the Federal Deposit Insurance Corporation, Federal land banks, joint-stock land banks, and national farm loan associations; and the detection and arrest of persons violating laws directly concerning official matters administered by and under the direct control of the Treasury Department. It also directs activities of the White House Police Force, and the Uniformed Guard Force which protects the Treasury Building and other buildings housing Treasury Department activities and the currency and other obligations and securities of the United States in production, storage, and transit.

SALARIES AND EXPENSES

Activities for which funds are provided under the appropriation title "Salaries and Expenses, United States Secret Service" include (1) Suppressing Counterfeiting and Investigating Check and Bond Forgeries, (2) General Administrative Services, and (3) Executive Direction. Under the first activity mentioned the committee recommends an appropriation of \$2,323,778 to cover investigation of counterfeiting of currency, specie, and securities; forgery and conversion of Government checks and bonds; loss of valuables in shipment by Government agencies; and noncriminal cases as directed by the Treasury. Also funds for the protection of the President, his immediate family, the Vice President, and the President-elect. The amount recommended is \$225,000 below the amount requested in the estimate submitted in January, and \$205,000 below the amount allocated for this purpose during the current fiscal year, and contemplates a reduction of 47 average positions, from 393 to 346.

The second activity covers administrative costs such as personnel, budgeting, payroll and supply, at headquarters in connection with the operation of the Secret Service Division which includes the functions of the field force, the White House Police and the Guard Force

for Treasury Department Buildings. The committee recommends for this activity the sum of \$128,322, which reflects no change from the estimate submitted or from the amount allocated for this purpose for the current fiscal year. It contemplates the employment of an average of 30 positions.

The third activity covers the costs of executive supervision, direction and policy formulation over such functions as protection of the President; detection and arrest of persons engaged in counterfeiting; and the investigation of personnel, Tort Claims, and other non-criminal cases. For this activity the committee recommends \$47,900, the same as requested and allocated for the current fiscal year. It contemplates the employment of an average of 30 positions.

WHITE HOUSE POLICE

Salaries and expenses.—Funds provided under this activity are for the protection of the Executive Mansion and grounds by the White House Police and involves control of official visitors and sightseers; control of property, supplies and mail entering the premises; fire inspection and inspection for explosives and other hazards. The committee recommends for this activity \$630,000, which is a reduction of \$68,000 from the estimates submitted in January, and a reduction of the same amount below the appropriation for the current fiscal year. The recommendation contemplates a reduction in the number of policemen of 18 average positions, from 163 to 145.

GUARD FORCE

Salaries and expenses.—This appropriation is to provide protection of Treasury buildings and safeguarding of Government securities and money while under the jurisdiction of the Treasury Department. The committee recommends an appropriation of \$375,000, a reduction of \$55,000 below the estimate submitted in January, and \$90,000 below the appropriation for the current fiscal year. The recommendation contemplates a reduction of 19 average positions, from 119 to 100, and the elimination of the purchase of one station wagon for replacement.

BUREAU OF THE MINT

The Bureau of the Mint is charged primarily with responsibility for the manufacture of domestic coins as well as the acquisition of monetary metals for coinage purposes. It has direct responsibility for receiving deposits of gold and silver, for assaying, for refining, and for the sale and custody of gold and silver bullion. It administers and, with the Secret Service and Customs Bureau, enforces regulations pertaining to gold and silver. With respect to gold, it issues licenses relative to the acquisition, ownership, possession, use, and exportation for industrial, professional, and artistic purposes. Sales of gold bars for such purposes amounted to \$57,868,845 during fiscal year 1952. In addition, the Bureau of the Mint produces medals as well as other decorations and, by contract with foreign countries, manufactures coins for other governments.

SALARIES AND EXPENSES

In the January 9, 1953, submission of the budget a request for \$5,300,000 was made for the activities under the appropriation title "Salaries and Expenses, Bureau of the Mint", which for purposes of clarity were divided (1) Manufacture of coins (domestic) \$3,151,900, (2) Processing deposits and issues of monetary metals and coins \$912,300, (3) Protection of monetary metals and coins \$807,700, (4) Refining gold and silver bullion \$303,500, and (5) Executive direction \$124,600, total \$5,300,000.

The activity "Manufacture of coins (domestic)" for which \$3,151,900 was requested, provides funds for the production of coins which is the major activity of the Bureau of the Mint. It was estimated by the Bureau in its January submission that approximately 1.5 billion coins would be required for business transactions throughout the country during fiscal year 1954, or approximately the same as is estimated for the current fiscal year. Also included in the request was an amount of \$475,000 to permit modernization of coining facilities at the Philadelphia Mint by minor structural changes and the installation of modern machinery. The committee recommends an appropriation of \$2,551,900 for this activity, a reduction of \$600,000 below the estimate submitted in January but in accordance with the later revised submission. The reduction proposes the elimination of the \$475,000 for modernization of the Philadelphia Mint and a reduction in the estimate of coin production by 100 million coins. This should reduce employment by 71 average positions, or from 538 to 467. No changes are proposed in the estimates for the other activities under this appropriation title. The overall recommendation of the committee is that there be appropriated for the activities under the appropriation title "Salaries and Expenses, Bureau of the Mint" a total amount of \$4,700,000, which would provide for an average employment of 901, a reduction of 71 below the request submitted in January.

UNITED STATES COAST GUARD

The duties of the Coast Guard are to enforce or assist in the enforcement of Federal laws on the high seas and waters subject to the jurisdiction of the United States; to administer laws and promulgate and enforce regulations for the promotion of safety of life and property on the high seas and on waters subject to the jurisdiction of the United States; to develop, establish, maintain, and operate aids to maritime navigation, ice-breaking facilities, and rescue facilities for the promotion of safety on and over the high seas and waters subject to the jurisdiction of the United States; and to maintain a state of readiness to function as a specialized service of the Navy in time of war. Its specialized training and facilities enable it to carry out numerous important assignments in support of national security and defense measures in addition to its regular routine responsibilities. Since the outbreak of hostilities in Korea activities primarily designed to meet peacetime needs have taken on added importance, such as the shipments of defense materials abroad.

OPERATING EXPENSES

The appropriation request for "Operating Expenses, Coast Guard" is to cover the duties outlined above and for administrative convenience is divided into four activities: (1) Search, Rescue and Law Enforcement, for which \$91,909,066 was requested in the January estimate; (2) Operation of Aids to Navigation, for which \$54,064,366 was requested; (3) Operation of Ocean Stations for Meteorological and Other Services, for which \$33,780,541 was requested; and (4) Port Security, for which \$20,246,027 was requested, a total of \$200,000,000 for the four activities. The request submitted in the January estimates reflects an increase of \$800,000 over the amount appropriated for the current fiscal year but the committee was informed contemplated about the same level of operations as under the current fiscal year. The increase is due to additional military costs for mustering-out payments under the provisions of Public Law 550, 82nd Congress, and a higher rate of expiration of enlistments in 1954 than in 1953. The request was based upon an estimated average military strength for fiscal year 1954 of 34,836 and an average civilian strength of 3,202. This compares with an estimated average strength of 35,036 military and 3,307 civilian for fiscal year 1953.

The committee recommends an appropriation of \$188,250,000 for the four activities, a reduction of \$11,750,000 which is in accord with revised estimates and suggests that the savings be accomplished by a reduction of 1,159 in military personnel and the costs related thereto, and reduction in administrative and supporting programs. No reduction in civilian personnel is proposed.

The committee proposes new language under this heading which will be found on page 7, line 14, of the bill which makes available funds for expenses of primary and secondary schooling for dependents of Coast Guard personnel stationed outside the continental United States. The purpose of this provision in addition to providing schooling for the dependents is to bring the Coast Guard in line with the other military services under similar circumstances.

ACQUISITION, CONSTRUCTION AND IMPROVEMENTS

Under this appropriation title provision is made for establishment and improvement of aids to navigation, acquisition of aircraft, and replacement or improvement of vessels and shore structures. The request is divided into two activities: (1) Search, Rescue and Law Enforcement, for which \$15,533,000 was requested in the January estimate; and (2) Aids to Navigation, for which \$9,467,000 was requested, a total of \$25,000,000, reflecting an increase of \$750,000 over the appropriation for the current fiscal year.

Revised estimates submitted to the committee recommends for the two activities an appropriation of \$2,500,000, a reduction of \$22,500,000 below the January estimates. The reduction in the "Search, Rescue and Law Enforcement" activity is based upon the deferment of construction at Willapa Bay Lifeboat Station for which \$210,000 was requested; Ditch Plain Lifeboat Station for which \$115,000 was requested; reduction of \$3,000 in the construction estimate at Point Arquello Lifeboat Station, from \$94,000 to \$91,000; deferment of Elizabeth City Air Station heating system improvements for which

\$75,000 was requested; and reduction of funds for replacement of aircraft from \$15,000,000 to \$1,700,000.

Reduction in the "Aids to Navigation" activity is based upon the deferment of final phases of the loran projects for which \$8,797,000 was requested.

The reductions recommended in the two above activities contemplate a reduction of 1 average position in the first activity, from 9 to 8; and of 2 average positions in the second activity, from 46 to 44.

The committee has accepted the recommendations of the Treasury Department and the Bureau of the Budget with some reluctance, particularly in regards to funds for replacement of aircraft. During recent years the committee has encouraged a program under which new aircraft would be put into this service as the older aircraft became obsolete and unsafe for its proper mission. This would appear to be a desirable program. However, the Assistant Secretary of the Treasury, Mr. H. Chapman Rose, informed the committee that—

* * * The purpose of it (elimination of funds for procurement of aircraft) was the deferment for a year of the plane replacement program for the purpose of a review, and in part to determine whether there was any other source of planes such as the Air Force and the Navy, which might be used rather than the acquisition of new planes, but with the conviction, which I believe is borne out by the other witnesses here, that during this year of review these planes, by maintenance, can be kept in an entirely safe condition for utilization during that year.

RESERVE TRAINING

The appropriation for "Reserve Training" provides for the expense of the Coast Guard Training Program and was presented to the committee under two activities, (1) Direct Expense for which \$1,813,055 was requested in the January estimate, and (2) Indirect Expense for which \$786,945 was requested, a total of \$2,600,000. The committee was informed that the program for fiscal year 1954 was to be slightly modified from that for the current fiscal year in that it was contemplated a smaller number of reservists would receive a more complete course of training rather than to provide partial training for a larger number. The program contemplates the training of 3,383 of the approximately 15,000 reservists. The numbers of reservists is gradually increasing as the result of recruiting and the enlistment into the Coast Guard Reserve of personnel being discharged from the regular Coast Guard, plus the number of personnel returning from active duty to the inactive reserve upon completion of their obligated military service under Selective Service.

The committee recommends an appropriation of \$2,500,000 for the two activities, a reduction of \$100,000, and suggests that the reduction be accounted for by a decrease in drill and active duty pay of trainees. No change in the number of average positions is contemplated which number 132.7.

BUREAU OF ENGRAVING AND PRINTING

The Bureau of Engraving and Printing is a manufacturing establishment which designs, engraves, and prints currency, securities, postage and revenue stamps, Government checks, military commissions and certificates, and other engraved work for the various Government agencies, the Board of Governors of the Federal Reserve System, and insular possessions of the United States.

Pursuant to Public Law 656, 82d Congress, the Bureau, since July 1, 1951, has been operating under a revolving fund of \$3,250,000, which placed all operations on a completely reimbursable basis and provided for business-type accounting and budgetary procedures. Difficulties arising from the great differences in the principles and concepts existing between the old and new methods have largely been adjusted and any impairment to funds experienced during the first year of operations under the new law will be adjusted during the current year.

The Bureau reported that it has engaged in an ambitious technological improvement program which upon attainment will effect substantial recurring annual savings in both manpower and the cost of production. Statements concerning the new and improved methods will be found in the hearings in the testimony of the Honorable A. W. Hall, Director. Through the attainment of the projects outlined by Mr. Hall which, it is anticipated will be completed in January 1954, annual savings of more than \$4 million will be made.

To complete the modernization program will require the modernization of existing equipment and the procurement of new equipment at a cost of some \$3,600,000, and in addition to this amount provisions have been made to expend \$1,400,000 for normal equipment requirements and necessary building alterations and repairs, or a total expenditure of \$5 million. \$3,500,000 of this amount will be available from funds recovered through depreciation and the writing off of equipment which will no longer be employed in production and it is proposed to finance the remaining \$1,500,000 by billing a few of the larger customers of the Bureau more frequently than normal and expediting the collection of all bills in order that working capital can be diverted to prosecute this portion of the program without affecting the ability to meet obligations as they become due.

The report of the Bureau to the committee indicated that since fiscal year 1949 the unit cost with respect to production of currency has been reduced from \$10.80 per thousand notes to an average cost of \$9.96 per thousand notes and that the reduction would have been greater had there been no increases in the price of material and no increase in wages to employees. Further substantial reductions in unit costs are predicted upon the completion of the present technological improvement program.

In view of the improvement program which has been in progress for some time, the committee had anticipated it would result in a greater reduction in the average cost per thousand of notes. The committee feels and expects that a greater decrease will be forthcoming in the near future and anticipates an early report to this effect.

TITLE II—POST OFFICE DEPARTMENT

GENERAL STATEMENT

Under the jurisdiction of the Post Office Department all mails are delivered to the public and other related services performed including the sale of money orders and provision for postal savings. The services of this Department is the most widely used and understood of the services rendered the public by any department of Government. Its services affect the daily lives of more individuals than any of the other services. To provide such services requires one of the world's largest

businesses, the employment of some 520,000 personnel, the use of nearly 30,000 Government-owned or rented vehicles, the operation of more than 41,000 offices, 32,000 rural routes, and many special services, all of which combines to transport and deliver more than 50 billion pieces of mail and handle more than 900 million special transactions. It pays hundreds of millions of dollars each year for rail, ship, airline and truck transportation and runs the world's largest savings system with deposits of over \$2.5 billion.

The operation of the postal service is financed from postal revenue, with the Treasury Department meeting any deficit. The amount of the request contained in the President's submission of January 9, 1953 is \$2,906,800,000, which is an increase of \$113,000,000 over the current fiscal year and is due primarily to an anticipated upward trend in mail volume.

All estimates for fiscal year 1954 are based upon an anticipated upward trend in the national economy which will bring with it an increase in mail volume. As stated at the beginning of this report, page 2, the recommendations of the committee are based upon the estimates contained in the 1954 budget submitted on January 9, 1953 (H. Doc. 16, 83rd Congress). Before hearings were conducted on the estimates of the Post Office Department, the present administration had advised the committee of revised requirements (indicating lesser appropriations) and the hearings were conducted upon the revised requirements. However, no public document was submitted and, in order that all action of the House of Representatives be on a comparable basis and upon a formally submitted document, it is necessary to make this report upon the basis of the January submission rather than upon changes contained in the informal revised submission.

Members of the committee were deeply impressed by the statement of the Postmaster General to the Committee. He has highlighted therein many of the areas where changes looking to the betterment of the service can and should be made. To accomplish some of the changes and improvements will require legislation, either new or by amendment to existing law. The Committee on Appropriations is not, however, the proper committee to originate such legislation. The legislative committee, the Committee on Post Office and Civil Service, is available to give consideration to proposed changes in existing law or to any new legislation that may be desirable. Many improvements can be made by administrative action. The committee believes that the present Postmaster General is alert to the need for such improvements and is competent to accomplish them and has dedicated himself to providing the best possible service to the public at a reasonable cost. The committee accepts without reservation his statement of objectives which are as follows:

(1) We intend to give the American people the kind of postal service they have the right to expect.

(2) We mean to reduce the overall postal deficit substantially through economies and modern management techniques.

(3) We hope that Congress will help us complete the job of balancing our budget by relieving us of subsidy burdens over which we have no control; by reimbursement of charges for free services provided to other agencies and by temporarily adjusting postal rates.

Since the Postmaster and his team of associates have presented a forward-looking program and a subcommittee of the Committee on

Post Office and Civil Service headed by the gentlewoman from New York, Mrs. Katharine St. George, has made a study and report wherein numerous recommendations are made, this committee has refrained from making specific recommendations that would require legislation or the amendment of existing laws, preferring to leave to the present incumbent Postmaster General and his team a free hand to exercise initiative, judgment and imagination in the hope that by so doing more and better improvements will result. In fact the committee wished to encourage just that sort of initiative which it feels is reflected in the new team.

However, one matter of particular interest to the committee is that of the form in which the budget submission is prepared and presented to the Congress. The present form of submission is arranged in accordance with activity schedules and account numbers. These schedules purport to reflect the activities carried on by the postal service. The results achieved are not entirely satisfactory in that the activities carried on by the postal service do not appear to be too susceptible to this type of breakdown. Of greater importance they do not appear to serve any particular purpose for enlightenment of the committee. The allotment accounts reflect the cost of the various services, or segments thereof, and perhaps provide management some data showing trends of cost in specific areas. The activity schedules do not lend themselves to ease of presentation before the committee particularly with respect to the testimony given by departmental officials because of the fact that one official may have many accounts scattered among several activities. On the other hand the same activity may require testimony from a number of officials. Activity schedules reflecting the organizational structure it is believed would serve a better purpose.

Under the incumbent Postmaster General the Department is studying its administrative problems and from these studies it is possible that a reorganization will take place in which event an improved budget and accounting system would be essential to improved administration. In any event the committee suggests that studies be made looking to a better budget and accounting system along organizational lines. It would appear to the committee desirable to rearrange accounts and activities to the extent they will follow logical order and permit the disposition of any given subject at one sitting in the interest of conserving time of all concerned.

DEFICIT

Much has been said, officially and unofficially, about the annual deficit of the Post Office Department. The subject was frequently mentioned and was constantly in the minds of members of the committee during the hearings. Historically, it appears to have been the intent of the Congress that the postal service should pay its way and, to accomplish that, rates were fixed very high. But with high rates originally established and the prevailing rates throughout the years there have been only 18 years of the 115 for which figures are available during which the Post Office Department has not operated at a deficit. It must be borne in mind, however, that the Department operates under rates prescribed by law both as to income and outgo, and it was reported to this committee last year that upon that basis the

Department paid more for salaries alone than the total revenues of the Department. Under these circumstances this committee cannot report to the Congress that the Post Office Department can balance its budget and operate at a profit during fiscal year 1954 unless there is drastic legislative action taken prior to July 1, 1953 to increase the income of the Department and reduce its expenditures. Realizing the extent to which such legislative action would have to go, the committee is not recommending such action as to completely eliminate the deficit during fiscal year 1954 but rather the committee looks to a long-range program of better practices, policies and methods which will gradually eliminate the deficit and, at the same time, give to the public an improved mail service. As has so often been said "the mails must go through," and it is the purpose of this committee to provide the necessary funds to see that such is accomplished and at the same time encourage every economy possible.

GENERAL ADMINISTRATION

The appropriation for "General Administration" provides funds for the payment of salaries and other necessary expenses for the operation of the central administration offices in Washington, D. C., the inspection service, and the regional accounting offices.

The budget submission contains a request for an appropriation of \$24,000,000 divided into the following activities:

Coordination and control, Executive direction and staff service, for which \$1,669,000 is allocated in the revised estimates, is to provide staff services necessary to the over-all direction of the postal service. It provides for the salaries, travel, and incidental expenses of the officials and employees charged with the executive direction and staff service activities of the postal service; for the development and manufacture of modern mechanical and other devices; and for contracts for management studies;

Direction of Post Office operations, for which \$1,521,800 is allocated in the revised estimates, is to provide general direction of postal operations for approximately 41,000 post offices, including authorizations for changes in the collection, dispatch, delivery, and local transportation of mails, and covers such items of expense as salaries, travel and incidental expenses of departmental employees of the Bureau of Post Office Operations;

Direction of Transportation Services, for which \$1,338,000 is allocated in the revised estimates, provides funds for (1) the authorization, administration, and certification of payment for the transportation of domestic and international mails; (2) negotiation of postal agreements with foreign countries and regulations for performance under them; (3) administration of terminal facilities for handling transit mail; (4) administration of pay and allowances to field transportation personnel; (5) administration of the distribution of transit mail and supervision of contractors in the performance of their duties; (6) determination of dispatch schedules and direction of movement of mail for the entire postal service; (7) specification, control, and distribution of equipment necessary to the transportation of mail;

Direction of General Services, for which \$2,001,500 is allocated in the revised estimates, provides for the general administration over (1) maintenance of post office buildings, leased, and rented space;

(2) procurement and maintenance of Government-owned motor vehicles; (3) manufacture and repair of mail bags and locks; (4) procurement, inspection, and distribution of supplies and equipment for the postal field service; and for printing, supply, and communication service cost for the Department.

The committee recommends for the above activities an appropriation of \$22,000,000, the same as was appropriated for the current fiscal year, and a decrease of \$2,000,000 from the amount requested in the January submission. This appropriation item may, however, be affected by the transferability provisions carried in the appropriation title "Postal Operations" which permits the transfer of funds (not to exceed \$10,000,000) to this appropriation account. Discussion of the transfer authority will be found in connection with the succeeding appropriation item.

Departmental officials requested the elimination of certain language carried in the current year's appropriation Act holding that such language constituted a limitation beyond which amount named in the language they could not go. The language which it is requested be eliminated is as follows:

"\$250,000 to be available exclusively for procurement by contract of things and services related to design, development, and construction of equipment used in postal operations, and for contracts for management studies;"

The language in question was originally proposed by this committee not as a limitation but as a requirement that at least \$250,000 be used for the purposes named. It was the view of the committee at the time that the Department was moving too slowly in this field and it was to encourage greater activity that the provision was included in the current year's appropriation language.

At the present time it appears to be the purpose of the Department to move more rapidly in the fields of design, development, construction of equipment and management studies and it was felt that if construed as a limitation the language would hamper their activities in that direction. Since it is not the purpose of the committee to hamper such activities it is recommended that instead of eliminating the language above quoted that the words "at least" be added at the beginning thereof which will remove any thought of limitation and make it a requirement that "at least" \$250,000 be utilized for the purposes designated and more may be so used if additional funds can be found for the purpose.

POSTAL OPERATIONS

The appropriation for "Postal Operations" for which \$2,240,700,000 was requested in the January submission of budget estimates, provides funds to cover the costs of the supervision and operation of local post offices including the collection, dispatch, and local transportation of mail; the distribution of mail in transit; the operation and care of buildings and grounds used by the postal field service; and postal supplies and equipment. For purposes of administration it is broken down into the following activities:

Administration of Post Office Operations, for which \$160,917,000 is allocated in the revised estimates, provides administrative costs and

salaries of postmasters and assistant postmasters whose salaries are determined by the receipts of their offices during the preceding calendar year, and includes funds to cover the cost of travel, overtime and nightwork differential where authorized by law. More than 96 percent of the appropriation will represent payments for the basic salaries of postal employees involved;

Mail handling and window service, for which \$920,980,000 is allocated in the revised estimates, provides for the handling of incoming and outgoing mail, window service to the public, and the performance of administrative services in first- and second-class post offices. Allotments are made from these funds for the payment of salaries and travel for clerks in first-, second- and third-class offices, all supervisors other than postmasters and assistant postmasters in first- and second-class offices, the payment for emergency clerical service and that required for separating mail at fourth-class offices and for the furnishing of stations under contract in both cities and rural sections;

Collection, Delivery and Local Transportation, for which \$800,508,000 is allocated in the revised estimates, provides for the work of city-delivery carriers, village-delivery carriers, and special-delivery messengers. This activity is devoted entirely to the pick up and delivery of mail matter and for that reason will be affected by changes in mail volume. It is estimated that this service will require some 125,749 man-years of service for the handling of some 53.7 billion pieces of mail. To provide improved service at the larger post offices the estimate includes \$500,000 for the payment of approximately 130 average positions for the purpose of providing late collections. This service was curtailed several years ago because of inadequate funds. There is now a demand for its restoration.

Necessary extensions of service and new city delivery routes will require some 3,237 additional average positions.

Included in the requirements of this activity is a request for \$20,719,000 to cover the salaries, fees, and travel of special-delivery messengers. This reflects an increase of \$390,000 over the current fiscal year. Some changes are anticipated in this service in that it is proposed that all special delivery mail in first-class offices will be handled by regular special-delivery messengers. In the past much special-delivery mail has been delivered by regular city carriers on their first trip when no delay in delivery was anticipated thereby. It appears that this method is unsuitable under existing conditions in many of the larger offices. The committee recommends a reduction of \$500,000 in this activity in the belief that through better supervision and more careful attention being given this service for which the public has paid a premium fee this reduction can be accomplished. When a patron has paid a premium fee for delivery of mail in addition to the regular rate of postage such patron is entitled to have the letter or parcel receive special attention, not only of the delivery messenger but from the supervisors and others having responsibility for the effectiveness of the service.

The account for vehicle service included in this activity for which \$34,452,000 is allocated provides for the payment of salaries and travel of field personnel in the vehicle service employed in supervision, operation, and maintenance of Government-owned vehicles used in the collection, transportation and delivery of mails. The allocation reflects an increase of \$948,000 over the amount for the same purpose

for the current fiscal year. The fleet of more than 18,000 trucks and tractors now in use by the Department are more modern than in previous years, no truck being older than a 1947 model. The estimated number of average positions requested total 8,630.3, an increase of 269.6 over the current fiscal year based upon an estimated increase in mail volume of 3.9 percent. The committee feels that through better supervision it will be possible to reduce this estimate by \$750,000 and so recommends;

Mail Handling in Transit, for which \$184,067,000 is allocated in the revised estimates, provides for the salaries of employees and supervisors of the postal transportation service who are engaged in the handling and distribution of mail in terminal post offices and post offices on railroads and in highway post office buses. The estimate contemplated a need for 40,580.6 average positions at an average compensation of \$4,319;

Operation and Care of Buildings, for which \$117,944,000 is allocated in the revised estimates, provides for the expenses necessary for the operation and care of all leased quarters in which post offices are located and Federal buildings under the jurisdiction of the postal service. This involves the payment of salaries of the custodial service necessary to clean the buildings; payment for telephone and telegraph service; rents, including allowances to postmasters at offices of the fourth class; fuel and utility services; and supplies, equipment and maintenance for the buildings involved. It contemplates the employment of 16,478.4 average positions at an average compensation of \$3,472;

General Postal Supply Services, for which \$46,284,000 is allocated in the revised estimates, covers the cost of stamps and stamped paper; supplies and equipment; printing; and the operation of the equipment shops where mail bags and locks are manufactured and repaired. It contemplates the employment of 97.4 average positions at an average compensation of \$3,890.

The committee recommends an appropriation of \$2,229,450,000 for "Postal Operations", which reflects a reduction of \$11,250,000 below the amount requested in the January submission. Specific reductions have been discussed in preceeding paragraphs.

Departmental officials have requested the elimination of certain language carried in the current year's appropriation Act holding that such language constituted a limitation beyond which amount named in the language they could not go. The language which it is requested be eliminated is as follows:

"\$500,000 to be available exclusively for manufacture and procurement of improved devices for postal operations and other activities; **[\$510,000]** \$4,232,000 to be available exclusively for the purchase of trucks, tractors, and trailers; and"

As was the case concerning the language in the preceding appropriation title this language was originally proposed by this committee not as a limitation but for the purpose of requiring constructive action toward the manufacture and procurement of improved devices for postal operations and to require the modernization of the truck fleet. With respect to the truck fleet the committee is now advised that the Department has no truck in service older than a 1947 year model which means that the fleet is reasonably modern and the provision concerning trucks is no longer required so that part of the language is being

eliminated. The procurement of improved devices for postal operations is still to be completed so the committee proposes to change the language in respect to such procurement to remove the limitation by inserting just before such language the words "at least".

The Department has requested and the committee recommends the new language beginning on page 11, line 13, and ending on page 12, line 2, of the bill. The purpose of this new language is to provide sufficient flexibility to permit the type of organization at the management level to achieve desired objectives for savings accomplished in the field. As has been previously stated in this report, the committee is so deeply impressed with the earnestness and desire of the present management of the Department to do a good job that it wishes to go along with the request for the new language permitting transfers of funds between appropriations where necessary in order to take full advantage of potential savings.

TRANSPORTATION OF MAILS

The appropriation for "Transportation of Mails", for which \$634,820,000 was requested in the January submission, provides funds for all items of transportation of mail by air, land or water. This includes transportation by railroad and electric car service, air mail service, star route service, highway post offices, short-haul truck service, power boat, steamship, and all types of foreign mail transportation. The estimate contemplates some expansion of short-haul truck service and contract highway post office service. For purposes of administration the appropriation is divided into the following activities:

Water Transportation, for which \$18,564,000 is allocated in the revised estimates, provides for transportation of mail by powerboat within the United States and by ocean vessels to foreign ports and the handling and stevedoring of mails at ports in the United States and its territories;

Truck Transportation, for which \$61,882,000 is allocated in the revised estimates, provides the funds for transportation of mails between post offices by star route in the United States and Alaska, by Government-operated and contract highway post offices, and by short-haul truck contractors. It is estimated that some 11,645 star routes will maintain service for post offices lacking adequate railroad service during fiscal year 1954, and it supplements highway post office service.

Highway post offices service provides mail distribution en route and is provided with Government-owned vehicles or with vehicles under contract in areas where adequate train service does not exist. The present estimate is based upon the need for 25 additional contract routes to replace discontinued railroad service. The Department is presently operating 77 highway post office routes with 113 Government-owned vehicles. The committee recommends a reduction of \$100,000 in the allocation and to effect this savings proposes that some of the presently operated routes can and should be let to private contractors at a savings to the Government. The recommendation is expected to expedite the letting of private contracts.

Short-haul truck service is provided for transportation of mail diverted from railroad service because of rate differentials or improved service resulting therefrom. Costs of this service is offset by the cost

of railroad service replaced. It is competitive on a financial and service basis with the railroad transportation. This diversion of mail is based upon a long range program to transport mail by the most economical and best means, and this service should be expanded. The funds requested in this appropriation total \$14,654,000 as compared with \$8,321,000 for the current fiscal year, an increase of \$6,333,000. While the committee wishes to encourage the expansion of this service it appears highly doubtful that it will be expanded to the extent indicated. The committee therefore recommends a reduction of \$1,000,000 in this request for funds;

Rail Transportation, for which \$344,910,000 is allocated in the revised estimates, provides funds for payment for transportation of mail by railroads and electric cars in the continental United States, Alaska, and Puerto Rico. Payments are made at rates prescribed by the Interstate Commission except on special contract routes where rates are determined by agreement between the operating railroads and the Postmaster General;

Air Transportation, for which \$138,473,000 is allocated in the revised estimates, provides funds for the transportation of mail by air between points within the United States and Alaska, and to United States Territories and possessions and foreign countries, at rates prescribed by the Civil Aeronautics Board;

Terminal and Transportation Charges by Foreign Countries, for which \$10,891,000 is allocated in the revised estimates, provides for payments to foreign countries in accordance with international postal conventions or agreements for the transportation and handling by their domestic postal services of mails of United States origin.

The committee recommends for the above transportation activities \$573,620,000 which is a reduction of \$61,200,000 below the estimates submitted in January, and \$42,380,000 below the appropriation for the current fiscal year. Specific reductions have been discussed in preceding paragraphs.

CLAIMS

The appropriation for "Claims", for which \$7,280,000 is allocated in the revised estimates, provides funds for the payment of personal and property damage claims against the Post Office Department, adjustment in accounts of postmasters for unavoidable losses, indemnities for loss of or damage to registered, insured, and collect-on-delivery mail, and for payment of money orders more than 1 year old.

The committee recommends for this appropriation \$7,180,000, a reduction of \$100,000 below the amount requested in the January submission, but an increase of \$1,380,000 above the appropriation for the current fiscal year.

LIMITATIONS AND LEGISLATIVE PROVISIONS

(Treasury Department)

The following limitations and legislative provisions not heretofore carried in any appropriation act are included in the bill and are recommended by the committee:

On page 7, line 14, in connection with the Coast Guard:

Provided further, That except as otherwise authorized by the Act of September 30, 1950 (20 U. S. C. 236-244), this appropriation shall be available for expenses of primary and secondary schooling for dependents on Coast Guard personnel stationed outside the continental United States in amounts not exceeding an average of \$250 per student, when it is determined by the Secretary that the schools, if any, available in the locality are unable to provide adequately for the education of such dependents, and the Coast Guard may provide for the transportation of said dependents between such schools and their places of residence when the schools are not accessible to such dependents by regular means of transportation.

(Post Office Department)

On page 11, line 11, in connection with Postal Operations:

, and not in excess of \$500,000 to carry out the purposes of Public Law 513, approved July 11, 1952

On page 11, line 13, in connection with Postal Operations:

Provided, That not to exceed 5 per centum of any appropriation available to the Post Office Department for the current fiscal year may be transferred, with the approval of the Bureau of the Budget, to any other such appropriation or appropriations; but the appropriation "General Administration" shall not be increased by more than \$10,000,000 as a result of such transfers: and Provided further, That functions financed by the appropriations for the current fiscal year for "General Administration" and for "Postal Operations", and the amounts appropriated therefor, may be transferred, in addition to the appropriation transfers otherwise authorized in this Act and with the approval of the Bureau of the Budget, between such appropriations to the extent necessary to improve administration and operations.

COMPARATIVE STATEMENT OF THE APPROPRIATIONS FOR 1953 AND THE ESTIMATES FOR 1954—PERMANENT
INDEFINITE APPROPRIATIONS—TREASURY DEPARTMENT

Object	Appropriations, 1953	Estimates, 1954	Increase (+) or decrease (—)
General and Special Funds:			
Interest on the Public Debt-----	\$6, 450, 000, 000	\$6, 350, 000, 000	—\$100, 000, 000
Public debt retirements payable from ordinary receipts and other statutory retirements-----	620, 063, 100	620, 261, 900	+198, 800
Losses in melting gold-----	1, 000	1, 000	-----
Refund of moneys erroneously received and covered-----	2, 000, 000	2, 000, 000	-----
Interest on uninvested trust funds-----	4, 744, 550	4, 919, 550	+175, 000
Refunds and drawbacks, Customs-----	20, 000, 000	20, 000, 000	-----
Refunding internal revenue collections-----	2, 543, 000, 000	2, 593, 000, 000	+50, 000, 000
Internal revenue collections for Puerto Rico-----	14, 935, 000	14, 935, 000	-----
Coconut oil tax, collections for American-Samoa, Internal Revenue-----	100, 000	60, 000	—40, 000
Contributions for annuity benefits, White House police and Secret Service forces-----	111, 300	111, 300	-----
Minor coinage profits, etc-----	300, 000	600, 000	+300, 000
Silver Profit Fund-----	-----	100, 000	+100, 000
Permanent private relief acts-----	1, 620	1, 620	-----
Total, General and Special Funds-----	9, 655, 256, 570	9, 605, 990, 370	—49, 266, 200

Trust Funds (not a charge against revenue):

Federal Old-Age and Survivors Insurance Trust Fund-----	4, 435, 025, 000	4, 779, 843, 550	+ 344, 818, 550
Pershing Hall Memorial Fund-----	4, 978	4, 978	-----
Unemployment Trust Fund-----	1, 553, 221, 976	1, 595, 707, 000	+ 42, 485, 024
Payment of Pre-1934 Bonds of the Government of the Philippines-----	120, 000	80, 000	- 40, 000
Mexican Claims Fund-----	2, 500, 000	2, 500, 000	-----
Payment of Unclaimed Moneys-----	150, 000	150, 000	-----
Refunds, Transfers and Expenses of Operation, Puerto Rico, Bureau of Customs-----	3, 502, 000	3, 517, 000	+ 15, 000
Refunds, Transfers and Expenses of Operation, Virgin Islands, Bureau of Customs-----	165, 000	168, 000	+ 3, 000
Refunds, Transfers and Expenses of Unclaimed, Abandoned and Seized Goods, Bureau of Customs-----	230, 000	230, 000	-----
Expenses, Treasury Department, Enforcement Title III, National Prohibition Act, as amended, Puerto Rico and Virgin Islands-----	116, 826	137, 976	+ 21, 150
Total, Trust Funds-----	5, 995, 035, 780	6, 382, 338, 504	+ 387, 302, 724

**COMPARATIVE STATEMENTS OF APPROPRIATION FOR 1953, ESTIMATES FOR 1954 AND AMOUNTS
RECOMMENDED IN THE BILL FOR 1954**

TREASURY DEPARTMENT

Agency and item	Appropriations 1953	Estimates 1954	Recommended in bill for 1954	Bill compared with—	
				1953 appropriations	1954 estimates
OFFICE OF THE SECRETARY					
Salaries and expenses-----	\$2, 585, 000	\$2, 620, 000	\$2, 400, 000	—\$185, 000	—\$220, 000
BUREAU OF ACCOUNTS					
Salaries and expenses-----	2, 000, 000	2, 000, 000	1, 800, 000	—200, 000	—200, 000
Disbursement, Division of, salaries and expenses-----	12, 200, 000	12, 065, 000	11, 000, 000	—1, 200, 000	—1, 065, 000
Total, Bureau of Accounts-----	14, 200, 000	14, 065, 000	12, 800, 000	—1, 400, 000	—1, 265, 000
BUREAU OF PUBLIC DEBT					
Administering the public debt-----	1 51, 750, 000	55, 000, 000	50, 000, 000	—1, 750, 000	—5, 000, 000
OFFICE OF THE TREASURER					
Salaries and expenses-----	20, 500, 000	20, 450, 000	17, 000, 000	—3, 500, 000	—3, 450, 000
Contingent expenses, public moneys-----	550, 000	550, 000	350, 000	—200, 000	—200, 000
Total, Office of the Treasurer-----	21, 050, 000	21, 000, 000	17, 350, 000	—3, 700, 000	—3, 650, 000
BUREAU OF CUSTOMS					
Salaries and expenses-----	41, 000, 000	42, 000, 000	40, 500, 000	—500, 000	—1, 500, 000

BUREAU OF INTERNAL REVENUE

Salaries and expenses-----	270,000,000	272,500,000	266,000,000	-4,000,000	-6,500,000
Additional income tax on railroads in Alaska-----	7,000			-7,000	
Total, Bureau of Internal Revenue-----	270,007,000	272,500,000	266,000,000	-4,007,000	-6,500,000
BUREAU OF NARCOTICS					
Salaries and expenses-----	2,790,000	2,790,000	2,790,000		
U. S. SECRET SERVICE					
Salaries and expenses-----	2,725,000	2,725,000	2,500,000	-225,000	-225,000
Salaries and expenses, White House Police-----	698,000	698,000	630,000	-68,000	-68,000
Salaries and expenses, Guard Force-----	465,000	430,000	375,000	-90,000	-55,000
Total, U. S. Secret Service-----	3,888,000	3,853,000	3,505,000	-383,000	-348,000
BUREAU OF THE MINT					
Salaries and expenses-----	4,825,000	5,300,000	4,700,000	-125,000	-600,000
COAST GUARD					
Operating expenses-----	199,200,000	200,000,000	188,250,000	-10,950,000	-11,750,000
Acquisition, construction and improvements-----	24,250,000	25,000,000	2,500,000	-21,750,000	-22,500,000
Retired pay-----	17,625,000	18,600,000	18,600,000	+975,000	
Reserve training-----	2,600,000	2,600,000	2,500,000	-100,000	-100,000
Total, Coast Guard-----	243,675,000	246,200,000	211,850,000	-31,825,000	-34,350,000
Total, Treasury Department, regular annual appropriations-----	655,770,000	665,328,000	611,895,000	-43,875,000	-53,433,000

¹ Includes \$750,000 appropriated under the Second Supplemental Appropriation Act, 1953 (Public Law 11, approved March 28, 1953).

Comparative statements of appropriations for 1953, estimates for 1954 and amounts recommended in the bill for 1954—Con.

TITLE II—POST OFFICE DEPARTMENT

Agency and item	Appropriation, 1953	Estimates, 1954	Recommended in bill for 1954	Bill compared with—	
				1953 appropriations	1954 estimates
General administration-----	\$22, 000, 000	\$24, 000, 000	\$22, 000, 000	-----	—\$2, 000, 000
Postal operations-----	2, 150, 000, 000	2, 240, 700, 000	2, 229, 450, 000	+\$79, 450, 000	— 11, 250, 000
Transportation of mails-----	616, 000, 000	634, 820, 000	573, 620, 000	—42, 380, 000	—61, 200, 000
Claims-----	5, 800, 000	7, 280, 000	7, 180, 000	+1, 380, 000	— 100, 000
Total, Post Office Department-----	2, 793, 800, 000	2, 906, 800, 000	2, 832, 250, 000	+38, 450, 000	—74, 550, 000
Grand total, titles I and II, Treasury and Post Office Departments-----	3, 449, 570, 000	3, 572, 128, 000	3, 444, 145, 000	—5, 425, 000	—127, 983, 000

○

NOTICE: This bill is given out subject to release when consideration of it has been completed by the Whole Committee. Please check on such action before release in order to be advised of any changes.

[FULL COMMITTEE PRINT]

Union Calendar No.

83D CONGRESS
1ST SESSION

H. R. 5174

[Report No.]

IN THE HOUSE OF REPRESENTATIVES

MAY 13, 1953

Mr. CANFIELD, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

Making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1954, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **TITLE I—TREASURY DEPARTMENT**

4 That the following sums are appropriated, out of any money
5 in the Treasury not otherwise appropriated, for the Treasury
6 Department for the fiscal year ending June 30, 1954,
7 namely:

J. 33221-

1 OFFICE OF THE SECRETARY

2 SALARIES AND EXPENSES

3 For necessary expenses in the Office of the Secretary,
4 including the operation and maintenance of the Treasury
5 Building and Annex thereof; and the purchase of uniforms
6 for elevator operators; \$2,400,000.

7 BUREAU OF ACCOUNTS

8 SALARIES AND EXPENSES

9 For necessary expenses of the Bureau of Accounts,
10 \$1,800,000: *Provided*, That Federal Reserve banks and
11 branches may be reimbursed for necessary expenses incident
12 to the deposit of taxes in Government depositories.

13 SALARIES AND EXPENSES, DIVISION OF DISBURSEMENT

14 For necessary expenses of the Division of Disbursement,
15 \$11,000,000.

16 BUREAU OF THE PUBLIC DEBT

17 ADMINISTERING THE PUBLIC DEBT

18 For necessary expenses connected with any public-debt
19 or currency issues of the United States, \$50,000,000 to be
20 expended as the Secretary of the Treasury may direct, and
21 the Secretary is authorized to accept services without com-
22 pensation: *Provided*, That Federal Reserve banks and
23 branches may be reimbursed for expenditures as fiscal agents
24 of the United States on account of public-debt transactions
25 for the account of the Secretary of the Treasury: *Provided*

1 *further*, That the indefinite appropriation provided by section
2 10 of the Second Liberty Bond Act, as amended (31 U. S. C.
3 760), shall not be available for obligation during the current
4 fiscal year.

5 OFFICE OF THE TREASURER

6 SALARIES AND EXPENSES

7 For necessary expenses of the Office of the Treasurer,
8 \$17,000,000.

9 CONTINGENT EXPENSES, PUBLIC MONEYS

10 For the collection, safekeeping, transfer, and disburse-
11 ment of the public money and securities of the United States,
12 \$350,000.

13 BUREAU OF CUSTOMS

14 SALARIES AND EXPENSES

15 For necessary expenses of the Bureau of Customs, in-
16 cluding examination of estimates of appropriations in the
17 field; expenses of attendance at meetings of organizations
18 concerned with the purposes of this appropriation; purchase
19 of fifty passenger motor vehicles for replacement only;
20 arms and ammunition; services as authorized by section
21 15 of the Act of August 2, 1946 (5 U. S. C. 55a);
22 and not to exceed \$1,220,000 for personal services in the
23 District of Columbia exclusive of ten persons from the field
24 force authorized to be detailed under law (19 U. S. C.
25 1525); \$40,500,000.

BUREAU OF INTERNAL REVENUE

SALARIES AND EXPENSES

For necessary expenses of the Bureau of Internal Revenue, including expenses, when specifically authorized by the Commissioner, of attendance at meetings of organizations concerned with internal-revenue matters; purchase (not to exceed one hundred for replacement only) and hire of passenger motor vehicles; examination of estimates of appropriations in the field; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), and of expert witnesses at such rates as may be determined by the Commissioner; and ammunition; \$266,000,000: *Provided*, That the amount for personal services in the District of Columbia shall not exceed \$18,410,000.

BUREAU OF NARCOTICS

SALARIES AND EXPENSES

For necessary expenses of the Bureau of Narcotics, including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); hire of passenger motor vehicles; arms and ammunition; and not to exceed \$10,000 for services or information looking toward the apprehension of narcotic law violators who are fugitives from justice; \$2,790,000.

1 UNITED STATES SECRET SERVICE

2 SALARIES AND EXPENSES

3 For necessary expenses of the United States Secret Serv-
4 ice, including purchase (not to exceed twenty for replace-
5 ment only) and hire of passenger motor vehicles; and
6 arms and ammunition; \$2,500,000.

7 SALARIES AND EXPENSES, WHITE HOUSE POLICE

8 For necessary expenses of the White House Police, in-
9 cluding uniforms and equipment, and arms and ammunition,
10 purchases to be made in such manner as the President may
11 determine, \$630,000.

12 SALARIES AND EXPENSES, GUARD FORCE

13 For necessary expenses of the guard force for Treasury
14 Department buildings in the District of Columbia, including
15 purchase, repair, and cleaning of uniforms; and arms and
16 ammunition; \$375,000.

17 BUREAU OF THE MINT

18 SALARIES AND EXPENSES

19 For necessary expenses of the Bureau of the Mint,
20 including arms and ammunition; purchase and maintenance
21 of uniforms and accessories for guards; purchase of one
22 passenger motor vehicle (for replacement only); examina-
23 tion of estimates of appropriations in the field; and not to

1 exceed \$1,000 for the expenses of the annual assay com-
2 mission; \$4,700,000.

3 COAST GUARD

4 OPERATING EXPENSES

5 For necessary expenses for the operation and mainte-
6 nance of the Coast Guard, not otherwise provided for, includ-
7 ing services as authorized by section 15 of the Act of
8 August 2, 1946 (5 U. S. C. 55a) ; purchase of not to exceed
9 thirty-two passenger motor vehicles for replacement only;
10 maintenance, operation, and repair of aircraft; recreation and
11 welfare; and examination of estimates of appropriations in
12 the field; \$188,250,000: *Provided*, That the number of air-
13 craft on hand at any one time shall not exceed one hundred
14 and thirty-seven exclusive of planes and parts stored to meet
15 future attrition: *Provided further*, That (a) the unobligated
16 balance of appropriation to the Coast Guard for the fiscal
17 year 1953 for "Operating expenses" shall be transferred on
18 July 1, 1953, to the account established by the Surplus
19 Fund-Certified Claims Act of 1949 for payment of certified
20 claims; (b) amounts equal to the unliquidated obligations
21 on July 1, 1953, against the appropriation "Operating ex-
22 penses", fiscal year 1953, and the appropriation for "Operat-
23 ing expenses" for the fiscal year 1952 which was merged

1 therewith pursuant to the Treasury Department Appropria-
2 tion Act, 1953, shall be transferred to and merged with
3 this appropriation, and such merged appropriation shall be
4 available as one fund, except for accounting purposes of the
5 Coast Guard, for the payment of obligations properly in-
6 curred against such prior year appropriations and against
7 this appropriation, but on July 1, 1954, there shall be
8 transferred from such merged appropriation to the appro-
9 priation for payment of certified claims (1) any remaining
10 unexpended balance of the 1952 appropriation so trans-
11 ferred, and (2) any remaining unexpended balance of the
12 1953 appropriation so transferred which is in excess of the
13 obligations then remaining unliquidated against such appro-
14 priation: *Provided further*, That except as otherwise author-
15 ized by the Act of September 30, 1950 (20 U. S. C. 236-
16 244), this appropriation shall be available for expenses of
17 primary and secondary schooling for dependents of Coast
18 Guard personnel stationed outside the continental United
19 States in amounts not exceeding an average of \$250 per
20 student, when it is determined by the Secretary that the
21 schools, if any, available in the locality are unable to provide
22 adequately for the education of such dependents, and the
23 Coast Guard may provide for the transportation of said de-

pendents between such schools and their places of residence when the schools are not accessible to such dependents by regular means of transportation.

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

For necessary expenses of acquisition, construction, rebuilding, and improvement of aids to navigation, shore facilities, vessels, and aircraft, including equipment related thereto; and services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); \$2,500,000, to remain available until expended.

RETIRED PAY

For retired pay, including the payment of obligations therefor incurred during prior fiscal years, \$18,600,000.

RESERVE TRAINING

For all necessary expenses for the Coast Guard Reserve, as authorized by law (14 U. S. C. 751-762; 37 U. S. C. 231-319), including expenses for regular personnel, or reserve personnel while on active duty, engaged primarily in administration of the reserve program; and the maintenance, operation, and repair of aircraft; \$2,500,000: *Provided*, That (a) the unobligated balance of appropriation to the Coast Guard for the fiscal year 1953 for "Reserve training" shall be transferred on July 1, 1953, to the account established by the Surplus Fund-Certified Claims Act of 1949 for payment of certified claims; (b) amounts equal to

1 the unliquidated obligations on July 1, 1953, against the
2 appropriation "Reserve training", fiscal year 1953, and
3 the appropriation "Reserve training", fiscal year 1952 which
4 was merged therewith pursuant to the Treasury Depart-
5 ment Appropriation Act, 1953, shall be transferred to and
6 merged with this appropriation, and such merged appropri-
7 ation shall be available as one fund, except for accounting
8 purposes of the Coast Guard, for the payment of obligations
9 properly incurred against such prior year appropriations and
10 against this appropriation, but on July 1, 1954, there shall
11 be transferred from such merged appropriation to the ap-
12 propriation for payment of certified claims (1) any remain-
13 ing unexpended balance of the 1952 appropriation so trans-
14 ferred and (2) any remaining unexpended balance of the
15 1953 appropriation so transferred which is in excess of the
16 obligations then remaining unliquidated against such
17 appropriation.

18 SEC. 102. This title may be cited as the "Treasury
19 Department Appropriation Act, 1954".

20 TITLE II—POST OFFICE DEPARTMENT

21 For administration and operation of the Post Office
22 Department and the postal service, there is hereby appro-
23 priated the aggregate amount of postal revenues for the
24 fiscal year ending June 30, 1954, as authorized by
25 law (39 U. S. C. 786, 794a), together with an amount

1 from any money in the Treasury not otherwise appropriated,
2 equal to the difference between such revenues and the total
3 of the appropriations hereinafter specified and the sum needed
4 may be advanced to the Post Office Department upon requi-
5 sition of the Postmaster General, for the following purposes,
6 namely:

7 GENERAL ADMINISTRATION

8 For expenses necessary for general administration of the
9 postal service, operation of the inspection service, and the
10 conduct of a research and development program, including
11 services as authorized by section 15 of the Act of August 2,
12 1946 (5 U. S. C. 55a) ; at least \$250,000 to be available
13 exclusively for procurement by contract of things and services
14 related to design, development, and construction of equip-
15 ment used in postal operations, and for contracts for manage-
16 ment studies; rewards for information and services concerning
17 violations of postal laws and regulations, current and prior
18 fiscal years, in accordance with regulations of the Postmaster
19 General in effect at the time the services are rendered or
20 information furnished; and expenses of delegates designated
21 by the Postmaster General to attend meetings and congresses
22 for the purpose of making postal arrangements with foreign
23 governments pursuant to law; and the expenses of delegates
24 provided for herein and not to exceed \$20,000 for rewards,
25 as provided for herein, shall be paid in the discretion of the

1 Postmaster General and accounted for solely on his certificate;
2 \$22,000,000.

3 POSTAL OPERATIONS

4 For expenses necessary for postal operations, not other-
5 wise provided for, and for other activities conducted by the
6 Post Office Department pursuant to law, including at least
7 \$500,000 to be available exclusively for manufacture and
8 procurement of improved devices for postal operations and
9 other activities; storage and repair of vehicles owned by,
10 or under control of, units of the National Guard and de-
11 partments and agencies of the Federal Government where
12 repairs are made necessary because of utilization of such
13 vehicles in the postal service, and not in excess of \$500,000
14 to carry out the purposes of Public Law 513, approved
15 July 11, 1952; \$2,229,450,000: *Provided*, That not to
16 exceed 5 per centum of any appropriation available to
17 the Post Office Department for the current fiscal year may
18 be transferred, with the approval of the Bureau of the Budget,
19 to any other such appropriation or appropriations; but the
20 appropriation "General Administration" shall not be in-
21 creased by more than \$10,000,000 as a result of such trans-
22 fers: *Provided further*, That functions financed by the ap-
23 propriations for the current fiscal year for "General Ad-
24 ministration" and for "Postal Operations," and the amounts
25 appropriated therefor, may be transferred, in addition to

1 the appropriation transfers otherwise authorized in this Act
2 and with the approval of the Bureau of the Budget, between
3 such appropriations to the extent necessary to improve
4 administration and operations.

5 TRANSPORTATION OF MAILS

6 For payments for transportation of domestic and foreign
7 mails by air, land, and water transportation facilities, includ-
8 ing current and prior fiscal years settlements with foreign
9 countries for handling of mail; and for expenses, exclusive
10 of personal services, necessary for operation of Govern-
11 ment-owned highway post office transportation service;
12 \$573,620,000.

13 CLAIMS

14 For settlement of claims, pursuant to law, current and
15 prior fiscal years, for damages (28 U. S. C. 2672; 31
16 U. S. C. 224c) ; losses resulting from unavoidable casualty
17 (39 U. S. C. 49) ; loss of or damage to mail, and failure to
18 remit collect-on-delivery charges (5 U. S. C. 372; 39
19 U. S. C. 244, 245a-1, 245b-1, 245d-1, 381, 382, 387) ;
20 and domestic money orders more than one year old (31
21 U. S. C. 725k) ; \$7,180,000.

22 GENERAL PROVISIONS

23 SEC. 202. Appropriations made in this title for general
24 administration and for postal operations shall be available
25 for examination of estimates of appropriations in the field.

SEC. 203. Appropriations made in this title, except those for payment of claims, shall be available for expenditures in connection with accident prevention.

SEC. 204. Appropriations made in this title available for expenses of travel shall be available, under regulations prescribed by the Postmaster General, for expenses of attendance at meetings of technical, scientific, professional, or other similar organizations concerned with the function or activity for which the appropriation concerned is made.

SEC. 205. This title may be cited as the "Post Office Department Appropriation Act, 1954".

TITLE III—GENERAL PROVISIONS

SEC. 301. No part of any appropriation contained in this Act shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prime facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a

1 member of an organization of Government employees that
2 asserts the right to strike against the Government of the
3 United States, or that such person does not advocate, and
4 is not a member of an organization that advocates, the over-
5 throw of the Government of the United States by force or
6 violence: *Provided further*, That any person who engages
7 in a strike against the Government of the United States or
8 who is a member of an organization of Government em-
9 ployees that asserts the right to strike against the Govern-
10 ment of the United States, or who advocates, or who is a
11 member of an organization that advocates, the overthrow of
12 the Government of the United States by force or violence
13 and accepts employment the salary or wages for which are
14 paid from any appropriation or fund contained in this Act
15 shall be guilty of a felony and, upon conviction, shall be fined
16 not more than \$1,000 or imprisoned for not more than one
17 year, or both: *Provided further*, That the above penalty
18 clause shall be in addition to, and not in substitution for,
19 any other provisions of existing law.

20 SEC. 302. This Act may be cited as the "Treasury and
21 Post Office Departments Appropriation Act, 1954".

[FULL COMMITTEE PRINT]

Union Calendar No.

83d CONGRESS
1st Session

H. R.

[Report No.]

A BILL

Making appropriations for the Treasury and
Post Office Departments for the fiscal year
ending June 30, 1954, and for other purposes.

By Mr. CANFIELD

MAY 13, 1953

Committed to the Committee of the Whole House on
the State of the Union and ordered to be printed

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL, 1954

MAY 13, 1953.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. CANFIELD, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H. R. 5174]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1954. The bill includes action on all estimates contained in the 1954 Budget for the above-mentioned departments of the Government, the estimates for which are contained in the 1954 Budget (H. Doc. 16, 83d Congress), as follows: for the Treasury Department on pages 874 to 909 inclusive, and for the Post Office Department on pages 837 to 847 inclusive.

The Committee has deferred action on the Export-Import Bank of Washington since there is pending Reorganization Plan No. 5 of 1953, the purpose of which is to simplify the organization and strengthen the administration of this Bank, and on the Reconstruction Finance Corporation budget program since at the time of the hearings there was pending executive determination as to the future status of the Corporation. Appropriate consideration will be given these two agencies at a later date.

Subsequent to the start of hearings on the budget submission of January 9, 1953, and under authority of a letter dated February 3, 1953, from the Director of the Bureau of the Budget addressed to all

Departments and agencies of the Government directing a review of the 1954 budget as submitted on January 9, 1953, the agencies of Government concerned herein have submitted revised estimates and the committee has given consideration to the later estimates and recommendations included therewith. In order that proper evaluation be given the submission of January 9, 1953, the tables beginning on page 28 of this report are based upon the figures contained therein and any changes appearing in the tables are based upon the figures contained in the Budget submission of January 9, 1953 rather than upon changes from the informal revised submission. Throughout the report will be found information concerning the informal revised submission and the recommendations included therewith. Near the end of the hearings on each of the Treasury Department appropriation items will be found the hearings on the revised estimates for that Department. Hearings for the Post Office Department were conducted on the original and revised estimates.

APPROPRIATIONS AND ESTIMATES

The following tabulation summarizes the amount of the direct annual appropriations recommended in the accompanying bill in comparison with the corresponding budget estimates and 1953 appropriations:

	Treasury Department	Post Office Department	Total
Appropriations, 1953 ¹	\$655, 770, 000	\$2, 793, 800, 000	\$3, 449, 570, 000
Estimates, 1954.....	665, 328, 000	2, 906, 800, 000	3, 572, 128, 000
Bill, 1954.....	611, 895, 000	2, 832, 250, 000	3, 444, 145, 000
Bill compared with 1953 appropriations.....	-43, 875, 000	+38, 450, 000	-5, 425, 000
Bill compared with 1954 estimates.....	-53, 433, 000	-74, 550, 000	-127, 983, 000

¹ Includes \$750,000 appropriated in the Second Supplemental Appropriation Act, Public Law 11, 83rd Congress, approved Mar. 28, 1953.

SUMMARY OF THE BILL

The total of the regular annual appropriations, carried in titles I and II of the bill is \$3,444,145,000 a reduction of \$127,983,000 in the budget estimates for direct appropriation. The amount recommended in the bill is \$5,425,000 less than the amount of regular annual appropriations for 1953 for these Departments. This reflects a recommended appropriation for the Treasury Department of \$611,895,000, with a civil personnel employment of approximately 76,157 average positions, a reduction of 3,167 average positions below the number carried in the request submitted on January 9, 1953. Under this appropriation the military personnel of the United States Coast Guard would be reduced by 1,159 during the year, from 34,836 to 33,677.

The recommended appropriation for the Post Office Department of \$2,832,250,000 contemplates the employment of some 520,000 civilian personnel.

TREASURY DEPARTMENT

PERMANENT APPROPRIATIONS AND TRUST FUNDS

The Treasury Department is responsible for the administration of permanent indefinite appropriations, which are fixed charges and cannot be reduced, and certain trust funds. The largest of these permanent indefinite charges which falls under the general and special funds category is for interest on the public debt for which \$6.35 billion is budgeted for fiscal year 1954. This reflects a decrease of \$100 million below the requirements of fiscal year 1953 for the same purpose. The decrease does not, however, indicate a reversal of the upward trend in interest payments but reflects an unusual situation which occurred during the fiscal year 1953. More than \$15 billion in certificates of indebtedness which paid almost a year's interest at maturity were refunded early in the fiscal year 1953 into new obligations on which interest payments for half a year or more are due on June 1, 1953. Thus about 20 months' interest on this portion of the debt falls due during the current fiscal year.

All other permanent indefinite appropriations will be found listed in the table appearing on page 28, reflecting estimates for fiscal year 1954 of \$9,605,990,370 as compared with \$9,655,256,570 for fiscal year 1953, a decrease of \$49,266,200.

All trust funds, which are not a charge against revenue, will be found listed in the table appearing on page 29, reflecting estimates for fiscal year 1954 of \$6,382,338,504 as compared with \$5,995,035,780 for fiscal year 1953, an increase of \$387,302,724.

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

The appropriation "salaries and expenses", office of the Secretary, is to aid the Secretary in the direction and administration of the Department. It provides funds for the requirements of the Secretary's immediate office, his staff assistants, and that of the General Counsel and Office of Administrative Services. It also provides funds for an employee's health program in the District of Columbia, legal services for Treasury organizations which do not have such facilities, a building maintenance and operation program, and central administrative services for the staff offices of the Secretary and departmental headquarters.

The committee concurring in the recommendation of the Secretary recommends an appropriation of \$2,400,000, which reflects a reduction from the amount requested in the estimates submitted on January 9, 1953, of \$220,000, and an amount of \$185,000 below the funds appropriated for the current fiscal year. The reductions are to be accomplished through a decrease in the amount of clerical and staff assistance in the Secretary's office and the office of the General Counsel, by a reduction of administrative services furnished the offices of the Secretary and Departmental headquarters, a reduction of buildings maintenance services and decrease in the expenditures proposed for supplies and materials for repair and upkeep of 2 buildings and a reduction in the number of health units from 4 to 3.

BUREAU OF ACCOUNTS

The Bureau of Accounts maintains central revenue, appropriation, and expenditure accounts of the Government and performs other fiscal functions, including the supervision of Treasury accounting systems and participation in the joint accounting improvement program with the General Accounting Office and the Bureau of the Budget; and through the Division of Disbursement makes disbursements for and receives collections from the several civil establishments of the executive branch of the Government, except the Post Office Department.

The functions of the Bureau of Accounts are administered and paid for through two appropriation accounts, the first being "Salaries and Expenses, Bureau of Accounts," for which \$2,000,000 is requested; and the second being "Salaries and Expenses, Division of Disbursement", for which \$12,065,000 is requested.

Activities payable from the appropriation account "Salaries and Expenses, Bureau of Accounts", include "Processing deposits of withheld tax payments," "Financial reporting and maintenance of the Government's central accounts", "Development and installation of accounting and reporting systems", "Processing investments, loans, claims, collections and surety bonds", "Supervision of the Federal Depositary System", and "Executive Direction". Also there has been transferred to this Bureau for liquidation the Motor Carrier Claims Commission, the Commission on Renovation of the Executive Mansion, and the National Capital Sesquicentennial Commission. The work of liquidating these agencies will carry over into fiscal year 1954 but no additional funds are requested for this work.

Functions of the Bureau of Accounts compared with its former functions were modified to some extent by Department Order No. 164 effective January 4, 1953, the modification being explained by the statement in the hearings beginning on page 80.

The committee recommendation of \$1,800,000 for fiscal year 1954 is a reduction of \$200,000 from the amount requested and from the amount appropriated for the current fiscal year. The proposed reduction contemplates reductions in the cost of handling and in volume of withheld tax payments; reduction of stocks of depositary receipts and envelopes in Federal Reserve Banks; savings applicable to establishment of Central Accounts; delay in review and audit of old suspense accounts; discontinuance of preparation of foreign currency tables, tables for Moody's Manual, cash expenditures abroad and other statements; reduction of inventories; decrease in staff and clerical assistance for projects for improving accounting and reporting and internal audits; curtailment of travel; and reductions in supervision and executive direction.

DIVISION OF DISBURSEMENT

The Division of Disbursement, through its Washington and regional offices makes payments, receives and deposits collections for civilian Federal agencies (except the Post Office Department and certain Government corporations), and issues savings bonds for Federal employees under the payroll-savings plan. It serves 311 administrative offices in Washington and 1,651 in the field. It operates 26 regional offices located in the financial centers of the United States and the Territories. The volume of business handled by the Division

is generated by agencies over which it has no authority, and which it can in no way alter or control. For the fiscal year 1952 the Division handled 198,120,498 items at a unit cost of \$0.0640. It is anticipated that for the current fiscal year 201,465,500 items will be processed at an average unit cost of \$0.0629. The request for appropriation for fiscal year 1954 is based upon the estimated requirement of processing 207,629,000 at an average unit cost of \$0.0614.

The committee recommends an appropriation of \$11,000,000 which is a reduction of \$1,065,000 from the amount requested and \$1,200,000 from the appropriation for the current fiscal year. It is suggested that personal service costs can be reduced in non-operative functions such as inspections, audits and maintenance of various control accounts; a decrease in unit cost through increased production rate; and a possible reduction in volume due to the overall reduction of Government expenditures. Other reductions may be affected through reducing inventories; curtailing travel; and suspension of the mechanization program. The proposed reduction has the approval of the Secretary.

BUREAU OF THE PUBLIC DEBT

The appropriation for "Administering the Public Debt" provides funds for the conduct of all public debt operations, promotion of the sale of United States savings bonds and stamps, and verification and destruction of unfit United States currency.

The largest volume of work to be performed under the Bureau of the Public Debt is in the "Issuance, servicing, and retirement of savings bonds." The volume of work cannot be controlled by the Bureau but is dependent upon the sales, service and redemption functions. Before sales can be made bonds must be printed and distributed to sales points and issue records established. Upon redemption the paying agents must be reimbursed and retirement recorded. Other and related work of a lesser volume but incidental to this activity must be performed and records kept concerning it. For this purpose \$38,079,100 is requested, which reflects a reduction of \$2,200,200 from the request contained in the budget estimates submitted January 9, 1953, and an increase of \$1,598,695 over the amount appropriated for the fiscal year, not considering any part of the funds appropriated in Public Law 11, 83d Congress, which may be allocated to this purpose.

The "Issuance, servicing, and retirement of Treasury securities" other than savings bonds constitute the second largest requirement of this Bureau. For this purpose \$6,551,500 is requested, which reflects a reduction of \$336,000 from the amount requested in the estimates submitted on January 9, 1953, and an increase of \$3,200 over the funds allocated for this purpose for the current fiscal year. As in the case of savings bonds the volume of work in this field cannot be controlled by the Bureau but is based primarily on the assumption that maturing or callable issues will be replaced with like securities with perhaps some increases.

Under the activity "Verification and Destruction of Unfit United States Currency" for which \$773,900 was requested in the estimates submitted on January 9, 1953, it is proposed to change the system by decentralizing the function to the Federal Reserve Banks and thus eliminate the entire request for appropriation. Under the current

system the currency that is unfit for further circulation is sorted out as it flows through the Federal Reserve Banks for return to the Treasury. The unfit currency is cut in half lengthwise, packaged in straps of 100 pieces, 40 straps to a bundle, the upper halves being sent to the Office of the Treasurer of the United States and the lower halves to the Bureau of the Public Debt, where they are verified by electronic counters and manually. It is now proposed to perform this entire activity in the Federal Reserve Banks.

Under the activity of "Maintenance and Audit of Public Debt Accounts" for which \$1,009,800 is requested the Bureau maintains administrative control accounts over all security transactions with which the Bureau is charged, and related transactions conducted by the Treasurer of the United States, and Federal Reserve Banks acting as fiscal agents for the Treasury. The request reflects a reduction of \$48,100 below the amount requested in the estimates submitted on January 9, 1953, and a reduction of \$30,600 below the amount allocated to this purpose for the current fiscal year.

Another and very important activity of the Bureau of the Public Debt is the "Promotion of the sale of savings bonds" for which \$4,875,600 is requested. It is the purpose of this activity to maintain a wide distribution of the national debt; sell Savings Bonds to the public in amounts that will offset maturities and redemptions and insofar as possible provide funds for retiring bank held debt; aid in combating inflation by draining off excess purchasing power; promote thrift, and thereby create future purchasing power. To accomplish this purpose the program is to get more people to buy bonds; acquaint people with the new and advantageous changes made in the terms of bonds; and encourage established buyers to hold maturing E-bonds for an additional period up to 10 years. The effectiveness of the program will be found outlined in testimony before the committee beginning on page 165 of the hearings. The amount requested for this purpose reflects a reduction of \$541,800 below the amount requested in the estimates submitted on January 9, 1953, and below the amount allocated for this purpose for the current fiscal year.

For "Executive direction" of the above activities the request is in the amount of \$484,000, which is a reduction of \$100,000 below the amount requested in the estimates submitted on January 9, 1953, and the amount allocated for this purpose during the current fiscal year.

The committee recommends for "Administering the Public Debt" an overall appropriation of \$50,000,000, which is \$5,000,000 below the total amount requested in the estimates submitted on January 9, 1953, and \$1,750,000 below the total amount appropriated for this activity for the current fiscal year including \$750,000 appropriated in the Second Supplemental Appropriation Act, approved March 28, 1953, Public Law 11, 83d Congress. The committee action contemplates savings to be made through modification of procedures and more effective utilization of manpower and machine time; reductions in payments to the Post Office; reductions in space rental, cost of space and maintenance; reduction in security stock and cost of security stock; deferral of equipment replacement; reduction in staff, in travel and other costs such as supplies in relation to reduction of staff; reduction in certain promotional drives; and reduction in personnel of the Technical Staff through reorganization.

OFFICE OF THE TREASURER

The Office of the Treasurer of the United States is the banking facility of the Government and as such receives, keeps, and disburses the moneys of the United States; receives, stores, issues, transfers and retires currency and coin; redeems Government securities; maintains essential fiscal accounts; and prepares related financial statements and reports. The functions of the office are established by law and must be performed regardless of volume over which the office has little or no control.

The activities for which funds are provided under this appropriation item are (1) "Processing checks, deposits and claims" for which \$3,771,488 is requested; (2) "General banking services" for which \$15,719,113 is requested; (3) "Retirement of currency" for which \$204,784 is requested; (4) "Maintenance of the Treasurer's accounts" for which \$380,154 is requested; (5) "Payment and custody of securities" for which \$288,144 is requested; and "Executive direction" for which \$86,317 is requested.

The activity "Processing checks, deposits and claims" utilizes the services of some 70% of the total personnel of the office and is responsible not only to the Treasury disbursing officers throughout the world but for disbursing officers of the defense establishment, those of the Post Office Department and all other Government entities, including cooperations and performs their own disbursing functions.

The "General banking services" procures all paper currency from the Bureau of Engraving and Printing for issue through the Federal Reserve banks to financial institutions throughout the country, and thence to trade channels. The coin necessary to meet financial and trade requirements is supplied by the Mints on order or authority from the Treasurer.

The activity "Retirement of currency" performs the functions of redemption and retirement of United States, Federal Reserve bank and National bank currency. It also provides for the determination of the redemption value of all mutilated and burned paper currency presented, and issues checks in payment thereof.

The activity "Payment and custody of securities" provides the clerical work for the payment of principal and interest on public debt obligations mainly of Government corporations, and provision for safekeeping facilities for securities, trust funds and savings bonds.

The committee recommends an appropriation of \$17,000,000 for "Salaries and Expenses, Office of the Treasurer". This is a reduction of \$3,450,000 in the estimates submitted in January and \$3,500,000 below the amount appropriated for this purpose for the current fiscal year. The action of the committee contemplates reductions due to additional conversions from the use of paper to card checks on large accounts of the Post Office and the military; accumulation of backlogs in processing checks and claims; reduction in over-the-counter banking services; decrease in purchases of currency; delay in processing over-the-counter bond transactions, and a reduction in the unit cost rate for the purchase of currency due to the management improvement program in the Bureau of Engraving and Printing.

CONTINGENT EXPENSES, PUBLIC MONEYS

The appropriation request for "Contingent Expenses, Public Moneys" under the Office of the Treasurer of the United States is to cover expenses in collecting, safekeeping, transferring, or disbursing public moneys; the cost of transportation of currency and coin, and securities of the United States; and the purchase of supplies such as coin bags and webbing straps. No part of this request is for personal services.

In the January submission of the budget a request of \$550,000 was included for the above purposes. The revised estimates reduced the request by \$200,000 which was the amount included in the original request to cover the cost of postage and telegraphic communications incident to the shipment of unfit paper currency to Washington for redemption and retirement. The committee was informed that a survey is currently being made as to the possibility of decentralizing the redemption of unfit currency, thus voiding necessity for its shipment to Washington. It was upon the assumption that such decentralization would be accomplished prior to July 1, 1953 that the revised estimates suggested the reduction of \$200,000. The committee accepts the assumption and recommends for appropriation \$350,000 under this title.

BUREAU OF CUSTOMS

The principal functions of the Bureau of Customs are to assess and collect duties and taxes on imported merchandise and baggage; prevent smuggling, undervaluations, and frauds on the customs revenue; apprehend violators of the customs and navigation laws; enter and clear vessels and aircraft; issue documents and signal letters to vessels of the United States; admeasure vessels; collect tonnage taxes on vessels engaged in foreign commerce; supervise the discharge of imported cargoes; inspect international traffic; control the customs warehousing of imports; determine and certify for payment the amount of drawback due upon the exportation of articles produced from duty-paid or tax-paid imports; enforce the antidumping and export control acts; regulate the movement of merchandise into and out of foreign trade zones; and enforce the laws and regulations of other Government agencies affecting imports and exports.

In its report of last year this committee indicated its belief that the Treasury Department should give consideration to the creation for the Bureau of Customs of a regionalized organization such as that being then proposed for the Bureau of Internal Revenue, and that it should press for enactment of the Customs Simplification Act which had at that time been passed by the House of Representatives. The accomplishment of the desired reforms has not been attained and it is suggested that consideration be again given to these matters and that they be pressed to a successful conclusion.

SALARIES AND EXPENSES

Activities for which funds are provided under the appropriation title "Salaries and Expenses, Bureau of Customs" include (1) Assessment and Collection of Duties, Taxes and Fees, (2) Appraisal of Imported Merchandise, (3) Investigations of Violations of Customs

and Related Laws and Regulations, (4) Audit of Collection and Merchandise Accounts, (5) Analysis and Identification of Merchandise for Tariff Purposes, and (6) Executive direction.

Assessment and Collection of Duties, Taxes and Fees.—Under this activity the collectors of customs assess and collect the duties and taxes on imported merchandise, inspect international traffic, combat smuggling, perform certain marine activities, relating to ownership and documentation of vessels of the United States and the movement of vessels in the foreign trade, and enforce the laws of other Government agencies affecting imports and exports. The committee recommends for this activity \$30,657,300, which is a reduction of \$1,088,900 below the estimate submitted in January and \$230,700 below the amount allocated for this activity during the current fiscal year. The committee action contemplates a reduction of 291 average positions, from the 6,131.4 requested in the January submission to 5,840.4.

Appraisal of Imported Merchandise.—Under this activity customs appraisers determine the value of imported merchandise, its admissibility into the United States, and establish that merchandise has been properly invoiced. For this activity the committee recommends \$4,816,700, a reduction of \$298,900 below the estimate submitted in January and \$80,000 below the amount allocated for this activity during the current fiscal year. The committee action contemplates a reduction of 23 average positions, from 1,070 requested in the January submission to 1,047.

Investigations of Violations of Customs and Related Laws and Regulations.—Under this activity investigations are made covering such things as violations of the Tariff Act, the Narcotics Drug Act, the Gold Reserve Act, the Export Control Act, and other laws affecting the movement of merchandise into and out of the United States. The committee recommends for this activity \$1,877,000, a reduction of \$43,200 below the estimate submitted in January and \$30,000 below the amount allocated for the current fiscal year. The committee action contemplates a reduction of 8.5 average positions, from 281 requested in the January submission to 272.5.

Audit of Collection and Merchandise Accounts.—Under this activity comptrollers of customs examine and certify collectors' accounts of receipts and disbursements of money and receipts and disposition of merchandise, and verify collectors' final assessments of duties and taxes, as well as allowances of drawback. The committee recommends for this activity \$1,181,000, which is a reduction of \$18,000 below the estimate submitted in January and the same amount below the amount allocated for the current fiscal year. This action contemplates a reduction of 5 average positions, from 212 requested in the January submission to 207.

Analysis and Identification of Merchandise for Tariff Purposes.—Under this activity customs laboratories perform scientific analysis and identification of merchandise for tariff and enforcement purposes. The committee recommends \$682,000 for this activity which is a reduction of \$31,000 below the estimate submitted in January and \$11,000 below the amount allocated for the current fiscal year. This action contemplates a reduction of 3 average positions, from 119.3 requested in the January submission to 116.3.

Executive direction.—The committee recommends an appropriation of \$1,286,000 for the Executive direction of the above activities. This reflects a reduction of \$20,000 below the estimate submitted in January and the same amount below the amount allocated for the current fiscal year. This action contemplates a reduction of 4.5 average positions, from 227 requested in the January submission to 222.5.

To recapitulate the committee recommends an appropriation of \$40,500,000 for "Salaries and Expenses, Bureau of Customs", which is a reduction of \$1,500,000 below the estimate submitted in January, and contemplates a reduction in average positions of 335, from 8,040.7 to 7,705.7, and recommends the purchase of 50 passenger motor vehicles for replacement only instead of 100 as requested.

BUREAU OF INTERNAL REVENUE

The Bureau of Internal Revenue determines, assesses, and collects all internal-revenue taxes; interprets and enforces the internal-revenue laws; refunds any overpayment of tax or erroneous collections; prepares and distributes tax instructions, regulations, forms, and stamps; and performs other duties under statutes related to internal revenue.

The appropriation request submitted on January 9, 1953, for a total of \$272,500,000, was justified under eight activities as follows: (1) Interpretation of revenue laws and ruling services, (2) Investigation and audit of tax returns, (3) Collection of delinquent tax accounts, (4) Taxpayer conferences and appeals, (5) Regulatory, control, and inspection work, (6) Processing returns, remittances, information documents, and claims, (7) Statistical reporting, and (8) Executive direction.

Under the first activity internal-revenue laws are interpreted, regulations are prepared and promulgated, and rulings are made on issues involving questions of statutory interpretation or application. The committee recommends for this activity \$5,694,332, the same amount as requested in the January submission, which contemplates 1,041.4 average positions.

Primary enforcement work is performed under activity (2) two and consists of all examinations, audits, and investigations for checking correctness and completeness of taxpayers' returns and claims, and for determining the correct tax liability if error in reporting is found. It also covers review of examining officers' reports, postaudit coordination work, obtaining delinquent returns, and conducting special confidential character investigations. The committee recommends for this activity \$138,032,658, the same as requested in the estimate submitted in January, and the same amount allocated for the activity for the current year, and contemplates an employment of 26,059.7 average positions.

Under the third activity measures are taken in the preparation and issuance of pre-warrant notices, service of and collection follow-up on warrants, administration of offers in compromise, and performance of legal work in support of these functions. The committee recommends for this activity \$23,701,955, which is a reduction of \$2,362,000 below the amount requested, but an increase of \$2,213,000 over the amount allocated for this purpose for the current year. It reflects a

reduction of 567 average positions, from 6,262.5 to 5,695.5. It is contemplated the reduction can be accomplished through a revision of procedures to provide for the elimination of distraint warrants for amounts under \$10; elimination of certain types of production reports; mailing of second notices prior to sending account to warrant stage; screening of all accounts of under \$100 by a review of the related tax returns; and re-wording of certain bills and notices to increase their effectiveness.

Activity numbered four consists of all phases of appellate work and associated legal work relating to appeals with respect to tax liability, interest, or penalties, including the preparation of both civil and criminal cases for settlement or trial. For this activity \$13,571,689 is recommended, which is the amount requested and the same as allocated for this purpose for the current year. It contemplates employment of 2,103.5 average positions.

Activity numbered five covers all phases of work involved in the enforcement of the alcoholic beverage, firearms and tobacco laws; tax liability is determined, industry operations and trade practices are regulated, and violations are detected and prosecuted. For this activity the committee recommends \$19,636,438, a reduction of \$508,000 below the amount requested and below the amount allocated for this purpose for the current fiscal year. It contemplates a reduction of employment of 94 average positions, from 3,685.4 to 3,591.4. It is contemplated that by discontinuance of inspection of retail dealers in connection with the detection of re-filled liquor bottles with non-tax paid or inferior spirits; and the discontinuance of checking of retail and wholesale liquor dealers for the special tax stamp, as recommended, the reduction can be accomplished.

Under activity numbered six are performed all the operations incident to the handling of remittances, tax accounting, bookkeeping, and filing of returns and records. It includes such related tasks as billing of taxpayers for current accounts, arithmetic verification of tax returns, computation and scheduling of refunds, determination of tax liability on Form 1040A returns, matching of information documents, assistance to taxpayers in preparation of their returns, correspondence regarding returns and remittances, and preparation of transcripts of returns for authorizing and distributing tax forms and instructions, and all stationery costs of the Bureau. The committee recommends for this activity an appropriation of \$63,281,423, a reduction of \$3,630,000 below the amount requested and below the amount allocated for this purpose for the current fiscal year. It contemplates a reduction in employment of 1,044 average positions, from 16,360.5 to 15,316.5. The proposed savings can be accomplished by a reduction in the number of excise tax returns to be received, assessed, processed and filed by placing them on a quarterly rather than a monthly basis, as recommended; and by the curtailment of matching operations to provide limited sampling of employers returns verified against employees returns, limited sorting and matching of informational forms 1099, as recommended.

Activity numbered seven covers the statistical reporting required by section 63 of the Internal Revenue Code on income and profit taxes. The committee recommends for appropriation, as requested, \$1,680,259, with 436 average positions, the same in both instances as allocated for the current fiscal year.

Activity numbered eight covers Executive direction for which \$401,246 is requested and recommended. 53.7 average positions are requested which is the same number as required for the current fiscal year and no change is anticipated in the requirements for fiscal year 1954.

To recapitulate the request for appropriation for the Bureau of Internal Revenue submitted to the Congress on January 9, 1953, was in the amount of \$272,500,000 and anticipated employment of 56,002.7 average positions. The recommendation for appropriation of the committee has reduced the request by \$6,500,000, to \$266,000,000, and reduced the employment by 1,705 average positions to 54,297.7. The committee recommends also the purchase of not to exceed 100 passenger motor vehicles for replacement only instead of 125 as requested.

The Bureau of Internal Revenue has recently completed a reorganization plan which established 17 districts each under a District Commissioner who reports to the Commissioner of Internal Revenue in Washington, D. C., in lieu of 64 Directors of Internal Revenue. Details of the reorganization plan will be found beginning on page 581 of the hearings. The Commissioner indicated it to be the purpose to work with the new organization and determine to what extent it would meet and fulfill the needs of the service before attempting further reorganization. Since time, effort and expenditures have been utilized in effecting the new organization and since it is realized that no management expert can tell that one type of organization can do a certain thing better than any other type of organization it would appear to the committee that it is proper that the new organization be continued and studied a sufficient length of time to determine its efficiency and effectiveness.

BUREAU OF NARCOTICS

The Bureau of Narcotics administers a program designed to deal with the control of sources of the illicit supply of drugs on international, national, and local levels.

Nationally, the Bureau is charged with the investigation, detection, and prevention of violations of the Federal narcotic and marihuana laws and of the Opium Poppy Control Act of 1942, and related statutes. The scope of the Bureau's operations is gradually enlarging as additional drugs are made subject to these laws.

Opium, coca leaves, marihuana, their more important derivatives, isonipeaine, and 11 recently developed synthetic narcotics found to have addicting qualities similar to morphine or cocaine, are now under international control, the latter having recently been brought under such control.

The enactment of Public Law 255, 82nd Congress, providing mandatory minimum penalties for violations has proven an important aid in discouraging illicit traffic in narcotics and marihuana. Likewise aid and cooperation of State and local narcotic enforcement squads are most helpful in the control of such traffic and should be encouraged.

The Bureau was commended by the committee in its report of last year for its accomplishments. The work is still of a high character but there remains room for improvement, particularly in the Nation's Capitol City. The Bureau contends, with some justification, that the deficiency of narcotic law enforcement in the District of Columbia is

due to inadequate sentences by the judges of the courts of persons convicted of violations of narcotic laws. They point to improved conditions in other jurisdictions where heavier sentences are imposed and say that addicts and peddlers from those jurisdictions come to the District of Columbia to carry on the trade. In order to encourage a better enforcement of the narcotic and marihuana laws the committee proposed to bring these hearings to the attention of judges who preside over courts in the District of Columbia.

The request for an appropriation of \$2,790,000, which is approved by the committee, is the same as was appropriated for this activity for fiscal year 1953. It provides, among other things, for 406 average positions of which approximately 260 are narcotic agents. The workload for the past several years has gradually increased and is estimated to increase about the same percentage during fiscal year 1954.

UNITED STATES SECRET SERVICE

The United States Secret Service operates under the direction of the Secretary of the Treasury. Its major functions are protection of the President and members of his immediate family, of the President-elect, and the Vice President at his request; the detection and arrest of persons committing any offenses against obligations and securities of the United States and of foreign governments; the detection and arrest of persons violating certain laws relating to the Federal Deposit Insurance Corporation, Federal land banks, joint-stock land banks, and national farm loan associations; and the detection and arrest of persons violating laws directly concerning official matters administered by and under the direct control of the Treasury Department. It also directs activities of the White House Police Force, and the Uniformed Guard Force which protects the Treasury Building and other buildings housing Treasury Department activities and the currency and other obligations and securities of the United States in production, storage, and transit.

SALARIES AND EXPENSES

Activities for which funds are provided under the appropriation title "Salaries and Expenses, United States Secret Service" include (1) Suppressing Counterfeiting and Investigating Check and Bond Forgeries, (2) General Administrative Services, and (3) Executive Direction. Under the first activity mentioned the committee recommends an appropriation of \$2,323,778 to cover investigation of counterfeiting of currency, specie, and securities; forgery and conversion of Government checks and bonds; loss of valuables in shipment by Government agencies; and noncriminal cases as directed by the Treasury. Also funds for the protection of the President, his immediate family, the Vice President, and the President-elect. The amount recommended is \$225,000 below the amount requested in the estimate submitted in January, and \$205,000 below the amount allocated for this purpose during the current fiscal year, and contemplates a reduction of 47 average positions, from 393 to 346.

The second activity covers administrative costs such as personnel, budgeting, payroll and supply, at headquarters in connection with the operation of the Secret Service Division which includes the functions of the field force, the White House Police and the Guard Force

for Treasury Department Buildings. The committee recommends for this activity the sum of \$128,322, which reflects no change from the estimate submitted or from the amount allocated for this purpose for the current fiscal year. It contemplates the employment of an average of 30 positions.

The third activity covers the costs of executive supervision, direction and policy formulation over such functions as protection of the President; detection and arrest of persons engaged in counterfeiting; and the investigation of personnel, Tort Claims, and other non-criminal cases. For this activity the committee recommends \$47,900, the same as requested and allocated for the current fiscal year. It contemplates the employment of an average of 30 positions.

WHITE HOUSE POLICE

Salaries and expenses.—Funds provided under this activity are for the protection of the Executive Mansion and grounds by the White House Police and involves control of official visitors and sightseers; control of property, supplies and mail entering the premises; fire inspection and inspection for explosives and other hazards. The committee recommends for this activity \$630,000, which is a reduction of \$68,000 from the estimates submitted in January, and a reduction of the same amount below the appropriation for the current fiscal year. The recommendation contemplates a reduction in the number of policemen of 18 average positions, from 163 to 145.

GUARD FORCE

Salaries and expenses.—This appropriation is to provide protection of Treasury buildings and safeguarding of Government securities and money while under the jurisdiction of the Treasury Department. The committee recommends an appropriation of \$375,000, a reduction of \$55,000 below the estimate submitted in January, and \$90,000 below the appropriation for the current fiscal year. The recommendation contemplates a reduction of 19 average positions, from 119 to 100, and the elimination of the purchase of one station wagon for replacement.

BUREAU OF THE MINT

The Bureau of the Mint is charged primarily with responsibility for the manufacture of domestic coins as well as the acquisition of monetary metals for coinage purposes. It has direct responsibility for receiving deposits of gold and silver, for assaying, for refining, and for the sale and custody of gold and silver bullion. It administers and, with the Secret Service and Customs Bureau, enforces regulations pertaining to gold and silver. With respect to gold, it issues licenses relative to the acquisition, ownership, possession, use, and exportation for industrial, professional, and artistic purposes. Sales of gold bars for such purposes amounted to \$57,868,845 during fiscal year 1952. In addition, the Bureau of the Mint produces medals as well as other decorations and, by contract with foreign countries, manufactures coins for other governments.

SALARIES AND EXPENSES

In the January 9, 1953, submission of the budget a request for \$5,300,000 was made for the activities under the appropriation title "Salaries and Expenses, Bureau of the Mint", which for purposes of clarity were divided (1) Manufacture of coins (domestic) \$3,151,900, (2) Processing deposits and issues of monetary metals and coins \$912,300, (3) Protection of monetary metals and coins \$807,700, (4) Refining gold and silver bullion \$303,500, and (5) Executive direction \$124,600, total \$5,300,000.

The activity "Manufacture of coins (domestic)" for which \$3,151,900 was requested, provides funds for the production of coins which is the major activity of the Bureau of the Mint. It was estimated by the Bureau in its January submission that approximately 1.5 billion coins would be required for business transactions throughout the country during fiscal year 1954, or approximately the same as is estimated for the current fiscal year. Also included in the request was an amount of \$475,000 to permit modernization of coining facilities at the Philadelphia Mint by minor structural changes and the installation of modern machinery. The committee recommends an appropriation of \$2,551,900 for this activity, a reduction of \$600,000 below the estimate submitted in January but in accordance with the later revised submission. The reduction proposes the elimination of the \$475,000 for modernization of the Philadelphia Mint and a reduction in the estimate of coin production by 100 million coins. This should reduce employment by 71 average positions, or from 538 to 467. No changes are proposed in the estimates for the other activities under this appropriation title. The overall recommendation of the committee is that there be appropriated for the activities under the appropriation title "Salaries and Expenses, Bureau of the Mint" a total amount of \$4,700,000, which would provide for an average employment of 901, a reduction of 71 below the request submitted in January.

UNITED STATES COAST GUARD

The duties of the Coast Guard are to enforce or assist in the enforcement of Federal laws on the high seas and waters subject to the jurisdiction of the United States; to administer laws and promulgate and enforce regulations for the promotion of safety of life and property on the high seas and on waters subject to the jurisdiction of the United States; to develop, establish, maintain, and operate aids to maritime navigation, ice-breaking facilities, and rescue facilities for the promotion of safety on and over the high seas and waters subject to the jurisdiction of the United States; and to maintain a state of readiness to function as a specialized service of the Navy in time of war. Its specialized training and facilities enable it to carry out numerous important assignments in support of national security and defense measures in addition to its regular routine responsibilities. Since the outbreak of hostilities in Korea activities primarily designed to meet peacetime needs have taken on added importance, such as the shipments of defense materials abroad.

OPERATING EXPENSES

The appropriation request for "Operating Expenses, Coast Guard" is to cover the duties outlined above and for administrative convenience is divided into four activities: (1) Search, Rescue and Law Enforcement, for which \$91,909,066 was requested in the January estimate; (2) Operation of Aids to Navigation, for which \$54,064,366 was requested; (3) Operation of Ocean Stations for Meteorological and Other Services, for which \$33,780,541 was requested; and (4) Port Security, for which \$20,246,027 was requested, a total of \$200,000,000 for the four activities. The request submitted in the January estimates reflects an increase of \$800,000 over the amount appropriated for the current fiscal year but the committee was informed contemplated about the same level of operations as under the current fiscal year. The increase is due to additional military costs for mustering-out payments under the provisions of Public Law 550, 82nd Congress, and a higher rate of expiration of enlistments in 1954 than in 1953. The request was based upon an estimated average military strength for fiscal year 1954 of 34,836 and an average civilian strength of 3,202. This compares with an estimated average strength of 35,036 military and 3,307 civilian for fiscal year 1953.

The committee recommends an appropriation of \$188,250,000 for the four activities, a reduction of \$11,750,000 which is in accord with revised estimates and suggests that the savings be accomplished by a reduction of 1,159 in military personnel and the costs related thereto, and reduction in administrative and supporting programs. No reduction in civilian personnel is proposed.

The committee proposes new language under this heading which will be found on page 7, line 14, of the bill which makes available funds for expenses of primary and secondary schooling for dependents of Coast Guard personnel stationed outside the continental United States. The purpose of this provision in addition to providing schooling for the dependents is to bring the Coast Guard in line with the other military services under similar circumstances.

ACQUISITION, CONSTRUCTION AND IMPROVEMENTS

Under this appropriation title provision is made for establishment and improvement of aids to navigation, acquisition of aircraft, and replacement or improvement of vessels and shore structures. The request is divided into two activities: (1) Search, Rescue and Law Enforcement, for which \$15,533,000 was requested in the January estimate; and (2) Aids to Navigation, for which \$9,467,000 was requested, a total of \$25,000,000, reflecting an increase of \$750,000 over the appropriation for the current fiscal year.

Revised estimates submitted to the committee recommends for the two activities an appropriation of \$2,500,000, a reduction of \$22,500,000 below the January estimates. The reduction in the "Search, Rescue and Law Enforcement" activity is based upon the deferment of construction at Willapa Bay Lifeboat Station for which \$210,000 was requested; Ditch Plain Lifeboat Station for which \$115,000 was requested; reduction of \$3,000 in the construction estimate at Point Arquello Lifeboat Station, from \$94,000 to \$91,000; deferment of Elizabeth City Air Station heating system improvements for which

\$75,000 was requested; and reduction of funds for replacement of aircraft from \$15,000,000 to \$1,700,000.

Reduction in the "Aids to Navigation" activity is based upon the deferment of final phases of the loran projects for which \$8,797,000 was requested.

The reductions recommended in the two above activities contemplate a reduction of 1 average position in the first activity, from 9 to 8; and of 2 average positions in the second activity, from 46 to 44.

The committee has accepted the recommendations of the Treasury Department and the Bureau of the Budget with some reluctance, particularly in regards to funds for replacement of aircraft. During recent years the committee has encouraged a program under which new aircraft would be put into this service as the older aircraft became obsolete and unsafe for its proper mission. This would appear to be a desirable program. However, the Assistant Secretary of the Treasury, Mr. H. Chapman Rose, informed the committee that—

* * * The purpose of it (elimination of funds for procurement of aircraft) was the deferment for a year of the plane replacement program for the purpose of a review, and in part to determine whether there was any other source of planes such as the Air Force and the Navy, which might be used rather than the acquisition of new planes, but with the conviction, which I believe is borne out by the other witnesses here, that during this year of review these planes, by maintenance, can be kept in an entirely safe condition for utilization during that year.

RESERVE TRAINING

The appropriation for "Reserve Training" provides for the expense of the Coast Guard Training Program and was presented to the committee under two activities, (1) Direct Expense for which \$1,813,055 was requested in the January estimate, and (2) Indirect Expense for which \$786,945 was requested, a total of \$2,600,000. The committee was informed that the program for fiscal year 1954 was to be slightly modified from that for the current fiscal year in that it was contemplated a smaller number of reservists would receive a more complete course of training rather than to provide partial training for a larger number. The program contemplates the training of 3,383 of the approximately 15,000 reservists. The numbers of reservists is gradually increasing as the result of recruiting and the enlistment into the Coast Guard Reserve of personnel being discharged from the regular Coast Guard, plus the number of personnel returning from active duty to the inactive reserve upon completion of their obligated military service under Selective Service.

The committee recommends an appropriation of \$2,500,000 for the two activities, a reduction of \$100,000, and suggests that the reduction be accounted for by a decrease in drill and active duty pay of trainees. No change in the number of average positions is contemplated which number 132.7.

BUREAU OF ENGRAVING AND PRINTING

The Bureau of Engraving and Printing is a manufacturing establishment which designs, engraves, and prints currency, securities, postage and revenue stamps, Government checks, military commissions and certificates, and other engraved work for the various Government agencies, the Board of Governors of the Federal Reserve System, and insular possessions of the United States.

Pursuant to Public Law 656, 82d Congress, the Bureau, since July 1, 1951, has been operating under a revolving fund of \$3,250,000, which placed all operations on a completely reimbursable basis and provided for business-type accounting and budgetary procedures. Difficulties arising from the great differences in the principles and concepts existing between the old and new methods have largely been adjusted and any impairment to funds experienced during the first year of operations under the new law will be adjusted during the current year.

The Bureau reported that it has engaged in an ambitious technological improvement program which upon attainment will effect substantial recurring annual savings in both manpower and the cost of production. Statements concerning the new and improved methods will be found in the hearings in the testimony of the Honorable A. W. Hall, Director. Through the attainment of the projects outlined by Mr. Hall which, it is anticipated will be completed in January 1954, annual savings of more than \$4 million will be made.

To complete the modernization program will require the modernization of existing equipment and the procurement of new equipment at a cost of some \$3,600,000, and in addition to this amount provisions have been made to expend \$1,400,000 for normal equipment requirements and necessary building alterations and repairs, or a total expenditure of \$5 million. \$3,500,000 of this amount will be available from funds recovered through depreciation and the writing off of equipment which will no longer be employed in production and it is proposed to finance the remaining \$1,500,000 by billing a few of the larger customers of the Bureau more frequently than normal and expediting the collection of all bills in order that working capital can be diverted to prosecute this portion of the program without affecting the ability to meet obligations as they become due.

The report of the Bureau to the committee indicated that since fiscal year 1949 the unit cost with respect to production of currency has been reduced from \$10.80 per thousand notes to an average cost of \$9.96 per thousand notes and that the reduction would have been greater had there been no increases in the price of material and no increase in wages to employees. Further substantial reductions in unit costs are predicted upon the completion of the present technological improvement program.

In view of the improvement program which has been in progress for some time, the committee had anticipated it would result in a greater reduction in the average cost per thousand of notes. The committee feels and expects that a greater decrease will be forthcoming in the near future and anticipates an early report to this effect.

TITLE II—POST OFFICE DEPARTMENT

GENERAL STATEMENT

Under the jurisdiction of the Post Office Department all mails are delivered to the public and other related services performed including the sale of money orders and provision for postal savings. The services of this Department is the most widely used and understood of the services rendered the public by any department of Government. Its services affect the daily lives of more individuals than any of the other services. To provide such services requires one of the world's largest

businesses, the employment of some 520,000 personnel, the use of nearly 30,000 Government-owned or rented vehicles, the operation of more than 41,000 offices, 32,000 rural routes, and many special services, all of which combines to transport and deliver more than 50 billion pieces of mail and handle more than 900 million special transactions. It pays hundreds of millions of dollars each year for rail, ship, airline and truck transportation and runs the world's largest savings system with deposits of over \$2.5 billion.

The operation of the postal service is financed from postal revenue, with the Treasury Department meeting any deficit. The amount of the request contained in the President's submission of January 9, 1953 is \$2,906,800,000, which is an increase of \$113,000,000 over the current fiscal year and is due primarily to an anticipated upward trend in mail volume.

All estimates for fiscal year 1954 are based upon an anticipated upward trend in the national economy which will bring with it an increase in mail volume. As stated at the beginning of this report, page 2, the recommendations of the committee are based upon the estimates contained in the 1954 budget submitted on January 9, 1953 (H. Doc. 16, 83rd Congress). Before hearings were conducted on the estimates of the Post Office Department, the present administration had advised the committee of revised requirements (indicating lesser appropriations) and the hearings were conducted upon the revised requirements. However, no public document was submitted and, in order that all action of the House of Representatives be on a comparable basis and upon a formally submitted document, it is necessary to make this report upon the basis of the January submission rather than upon changes contained in the informal revised submission.

Members of the committee were deeply impressed by the statement of the Postmaster General to the Committee. He has highlighted therein many of the areas where changes looking to the betterment of the service can and should be made. To accomplish some of the changes and improvements will require legislation, either new or by amendment to existing law. The Committee on Appropriations is not, however, the proper committee to originate such legislation. The legislative committee, the Committee on Post Office and Civil Service, is available to give consideration to proposed changes in existing law or to any new legislation that may be desirable. Many improvements can be made by administrative action. The committee believes that the present Postmaster General is alert to the need for such improvements and is competent to accomplish them and has dedicated himself to providing the best possible service to the public at a reasonable cost. The committee accepts without reservation his statement of objectives which are as follows:

- (1) We intend to give the American people the kind of postal service they have the right to expect.
- (2) We mean to reduce the overall postal deficit substantially through economies and modern management techniques.
- (3) We hope that Congress will help us complete the job of balancing our budget by relieving us of subsidy burdens over which we have no control; by reimbursement of charges for free services provided to other agencies and by temporarily adjusting postal rates.

Since the Postmaster and his team of associates have presented a forward-looking program and a subcommittee of the Committee on

Post Office and Civil Service headed by the gentlewoman from New York, Mrs. Katharine St. George, has made a study and report wherein numerous recommendations are made, this committee has refrained from making specific recommendations that would require legislation or the amendment of existing laws, preferring to leave to the present incumbent Postmaster General and his team a free hand to exercise initiative, judgment and imagination in the hope that by so doing more and better improvements will result. In fact the committee wished to encourage just that sort of initiative which it feels is reflected in the new team.

However, one matter of particular interest to the committee is that of the form in which the budget submission is prepared and presented to the Congress. The present form of submission is arranged in accordance with activity schedules and account numbers. These schedules purport to reflect the activities carried on by the postal service. The results achieved are not entirely satisfactory in that the activities carried on by the postal service do not appear to be too susceptible to this type of breakdown. Of greater importance they do not appear to serve any particular purpose for enlightenment of the committee. The allotment accounts reflect the cost of the various services, or segments thereof, and perhaps provide management some data showing trends of cost in specific areas. The activity schedules do not lend themselves to ease of presentation before the committee particularly with respect to the testimony given by departmental officials because of the fact that one official may have many accounts scattered among several activities. On the other hand the same activity may require testimony from a number of officials. Activity schedules reflecting the organizational structure it is believed would serve a better purpose.

Under the incumbent Postmaster General the Department is studying its administrative problems and from these studies it is possible that a reorganization will take place in which event an improved budget and accounting system would be essential to improved administration. In any event the committee suggests that studies be made looking to a better budget and accounting system along organizational lines. It would appear to the committee desirable to rearrange accounts and activities to the extent they will follow logical order and permit the disposition of any given subject at one sitting in the interest of conserving time of all concerned.

DEFICIT

Much has been said, officially and unofficially, about the annual deficit of the Post Office Department. The subject was frequently mentioned and was constantly in the minds of members of the committee during the hearings. Historically, it appears to have been the intent of the Congress that the postal service should pay its way and, to accomplish that, rates were fixed very high. But with high rates originally established and the prevailing rates throughout the years there have been only 18 years of the 115 for which figures are available during which the Post Office Department has not operated at a deficit. It must be borne in mind, however, that the Department operates under rates prescribed by law both as to income and outgo, and it was reported to this committee last year that upon that basis the

Department paid more for salaries alone than the total revenues of the Department. Under these circumstances this committee cannot report to the Congress that the Post Office Department can balance its budget and operate at a profit during fiscal year 1954 unless there is drastic legislative action taken prior to July 1, 1953 to increase the income of the Department and reduce its expenditures. Realizing the extent to which such legislative action would have to go, the committee is not recommending such action as to completely eliminate the deficit during fiscal year 1954 but rather the committee looks to a long-range program of better practices, policies and methods which will gradually eliminate the deficit and, at the same time, give to the public an improved mail service. As has so often been said "the mails must go through," and it is the purpose of this committee to provide the necessary funds to see that such is accomplished and at the same time encourage every economy possible.

GENERAL ADMINISTRATION

The appropriation for "General Administration" provides funds for the payment of salaries and other necessary expenses for the operation of the central administration offices in Washington, D. C., the inspection service, and the regional accounting offices.

The budget submission contains a request for an appropriation of \$24,000,000 divided into the following activities:

Coordination and control, Executive direction and staff service, for which \$1,669,000 is allocated in the revised estimates, is to provide staff services necessary to the over-all direction of the postal service. It provides for the salaries, travel, and incidental expenses of the officials and employees charged with the executive direction and staff service activities of the postal service; for the development and manufacture of modern mechanical and other devices; and for contracts for management studies;

Direction of Post Office operations, for which \$1,521,800 is allocated in the revised estimates, is to provide general direction of postal operations for approximately 41,000 post offices, including authorizations for changes in the collection, dispatch, delivery, and local transportation of mails, and covers such items of expense as salaries, travel and incidental expenses of departmental employees of the Bureau of Post Office Operations;

Direction of Transportation Services, for which \$1,338,000 is allocated in the revised estimates, provides funds for (1) the authorization, administration, and certification of payment for the transportation of domestic and international mails; (2) negotiation of postal agreements with foreign countries and regulations for performance under them; (3) administration of terminal facilities for handling transit mail; (4) administration of pay and allowances to field transportation personnel; (5) administration of the distribution of transit mail and supervision of contractors in the performance of their duties; (6) determination of dispatch schedules and direction of movement of mail for the entire postal service; (7) specification, control, and distribution of equipment necessary to the transportation of mail;

Direction of General Services, for which \$2,001,500 is allocated in the revised estimates, provides for the general administration over (1) maintenance of post office buildings, leased, and rented space;

(2) procurement and maintenance of Government-owned motor vehicles; (3) manufacture and repair of mail bags and locks; (4) procurement, inspection, and distribution of supplies and equipment for the postal field service; and for printing, supply, and communication service cost for the Department.

The committee recommends for the above activities an appropriation of \$22,000,000, the same as was appropriated for the current fiscal year, and a decrease of \$2,000,000 from the amount requested in the January submission. This appropriation item may, however, be affected by the transferability provisions carried in the appropriation title "Postal Operations" which permits the transfer of funds (not to exceed \$10,000,000) to this appropriation account. Discussion of the transfer authority will be found in connection with the succeeding appropriation item.

Departmental officials requested the elimination of certain language carried in the current year's appropriation Act holding that such language constituted a limitation beyond which amount named in the language they could not go. The language which it is requested be eliminated is as follows:

"\$250,000 to be available exclusively for procurement by contract of things and services related to design, development, and construction of equipment used in postal operations, and for contracts for management studies;"

The language in question was originally proposed by this committee not as a limitation but as a requirement that at least \$250,000 be used for the purposes named. It was the view of the committee at the time that the Department was moving too slowly in this field and it was to encourage greater activity that the provision was included in the current year's appropriation language.

At the present time it appears to be the purpose of the Department to move more rapidly in the fields of design, development, construction of equipment and management studies and it was felt that if construed as a limitation the language would hamper their activities in that direction. Since it is not the purpose of the committee to hamper such activities it is recommended that instead of eliminating the language above quoted that the words "at least" be added at the beginning thereof which will remove any thought of limitation and make it a requirement that "at least" \$250,000 be utilized for the purposes designated and more may be so used if additional funds can be found for the purpose.

POSTAL OPERATIONS

The appropriation for "Postal Operations" for which \$2,240,700,000 was requested in the January submission of budget estimates, provides funds to cover the costs of the supervision and operation of local post offices including the collection, dispatch, and local transportation of mail; the distribution of mail in transit; the operation and care of buildings and grounds used by the postal field service; and postal supplies and equipment. For purposes of administration it is broken down into the following activities:

Administration of Post Office Operations, for which \$160,917,000 is allocated in the revised estimates, provides administrative costs and

salaries of postmasters and assistant postmasters whose salaries are determined by the receipts of their offices during the preceding calendar year, and includes funds to cover the cost of travel, overtime and nightwork differential where authorized by law. More than 96 percent of the appropriation will represent payments for the basic salaries of postal employees involved;

Mail handling and window service, for which \$920,980,000 is allocated in the revised estimates, provides for the handling of incoming and outgoing mail, window service to the public, and the performance of administrative services in first- and second-class post offices. Allotments are made from these funds for the payment of salaries and travel for clerks in first-, second- and third-class offices, all supervisors other than postmasters and assistant postmasters in first- and second-class offices, the payment for emergency clerical service and that required for separating mail at fourth-class offices and for the furnishing of stations under contract in both cities and rural sections;

Collection, Delivery and Local Transportation, for which \$800,508,000 is allocated in the revised estimates, provides for the work of city-delivery carriers, village-delivery carriers, and special-delivery messengers. This activity is devoted entirely to the pick up and delivery of mail matter and for that reason will be affected by changes in mail volume. It is estimated that this service will require some 125,749 man-years of service for the handling of some 53.7 billion pieces of mail. To provide improved service at the larger post offices the estimate includes \$500,000 for the payment of approximately 130 average positions for the purpose of providing late collections. This service was curtailed several years ago because of inadequate funds. There is now a demand for its restoration.

Necessary extensions of service and new city delivery routes will require some 3,237 additional average positions.

Included in the requirements of this activity is a request for \$20,719,000 to cover the salaries, fees, and travel of special-delivery messengers. This reflects an increase of \$390,000 over the current fiscal year. Some changes are anticipated in this service in that it is proposed that all special delivery mail in first-class offices will be handled by regular special-delivery messengers. In the past much special-delivery mail has been delivered by regular city carriers on their first trip when no delay in delivery was anticipated thereby. It appears that this method is unsuitable under existing conditions in many of the larger offices. The committee recommends a reduction of \$500,000 in this activity in the belief that through better supervision and more careful attention being given this service for which the public has paid a premium fee this reduction can be accomplished. When a patron has paid a premium fee for delivery of mail in addition to the regular rate of postage such patron is entitled to have the letter or parcel receive special attention, not only of the delivery messenger but from the supervisors and others having responsibility for the effectiveness of the service.

The account for vehicle service included in this activity for which \$34,452,000 is allocated provides for the payment of salaries and travel of field personnel in the vehicle service employed in supervision, operation, and maintenance of Government-owned vehicles used in the collection, transportation and delivery of mails. The allocation reflects an increase of \$948,000 over the amount for the same purpose

for the current fiscal year. The fleet of more than 18,000 trucks and tractors now in use by the Department are more modern than in previous years, no truck being older than a 1947 model. The estimated number of average positions requested total 8,630.3, an increase of 269.6 over the current fiscal year based upon an estimated increase in mail volume of 3.9 percent. The committee feels that through better supervision it will be possible to reduce this estimate by \$750,000 and so recommends;

Mail Handling in Transit, for which \$184,067,000 is allocated in the revised estimates, provides for the salaries of employees and supervisors of the postal transportation service who are engaged in the handling and distribution of mail in terminal post offices and post offices on railroads and in highway post office buses. The estimate contemplated a need for 40,580.6 average positions at an average compensation of \$4,319;

Operation and Care of Buildings, for which \$117,944,000 is allocated in the revised estimates, provides for the expenses necessary for the operation and care of all leased quarters in which post offices are located and Federal buildings under the jurisdiction of the postal service. This involves the payment of salaries of the custodial service necessary to clean the buildings; payment for telephone and telegraph service; rents, including allowances to postmasters at offices of the fourth class; fuel and utility services; and supplies, equipment and maintenance for the buildings involved. It contemplates the employment of 16,478.4 average positions at an average compensation of \$3,472;

General Postal Supply Services, for which \$46,284,000 is allocated in the revised estimates, covers the cost of stamps and stamped paper; supplies and equipment; printing; and the operation of the equipment shops where mail bags and locks are manufactured and repaired. It contemplates the employment of 97.4 average positions at an average compensation of \$3,890.

The committee recommends an appropriation of \$2,229,450,000 for "Postal Operations", which reflects a reduction of \$11,250,000 below the amount requested in the January submission. Specific reductions have been discussed in preceeding paragraphs.

Departmental officials have requested the elimination of certain language carried in the current year's appropriation Act holding that such language constituted a limitation beyond which amount named in the language they could not go. The language which it is requested be eliminated is as follows:

"\$500,000 to be available exclusively for manufacture and procurement of improved devices for postal operations and other activities; ~~[\$510,000]~~ \$4,232,000 to be available exclusively for the purchase of trucks, tractors, and trailers; and"

As was the case concerning the language in the preceding appropriation title this language was originally proposed by this committee not as a limitation but for the purpose of requiring constructive action toward the manufacture and procurement of improved devices for postal operations and to require the modernization of the truck fleet. With respect to the truck fleet the committee is now advised that the Department has no truck in service older than a 1947 year model which means that the fleet is reasonably modern and the provision concerning trucks is no longer required so that part of the language is being

eliminated. The procurement of improved devices for postal operations is still to be completed so the committee proposes to change the language in respect to such procurement to remove the limitation by inserting just before such language the words "at least".

The Department has requested and the committee recommends the new language beginning on page 11, line 13, and ending on page 12, line 2, of the bill. The purpose of this new language is to provide sufficient flexibility to permit the type of organization at the management level to achieve desired objectives for savings accomplished in the field. As has been previously stated in this report, the committee is so deeply impressed with the earnestness and desire of the present management of the Department to do a good job that it wishes to go along with the request for the new language permitting transfers of funds between appropriations where necessary in order to take full advantage of potential savings.

TRANSPORTATION OF MAILS

The appropriation for "Transportation of Mails", for which \$634,820,000 was requested in the January submission, provides funds for all items of transportation of mail by air, land or water. This includes transportation by railroad and electric car service, air mail service, star route service, highway post offices, short-haul truck service, power boat, steamship, and all types of foreign mail transportation. The estimate contemplates some expansion of short-haul truck service and contract highway post office service. For purposes of administration the appropriation is divided into the following activities:

Water Transportation, for which \$18,564,000 is allocated in the revised estimates, provides for transportation of mail by powerboat within the United States and by ocean vessels to foreign ports and the handling and stevedoring of mails at ports in the United States and its territories;

Truck Transportation, for which \$61,882,000 is allocated in the revised estimates, provides the funds for transportation of mails between post offices by star route in the United States and Alaska, by Government-operated and contract highway post offices, and by short-haul truck contractors. It is estimated that some 11,645 star routes will maintain service for post offices lacking adequate railroad service during fiscal year 1954, and it supplements highway post office service.

Highway post offices service provides mail distribution en route and is provided with Government-owned vehicles or with vehicles under contract in areas where adequate train service does not exist. The present estimate is based upon the need for 25 additional contract routes to replace discontinued railroad service. The Department is presently operating 77 highway post office routes with 113 Government-owned vehicles. The committee recommends a reduction of \$100,000 in the allocation and to effect this savings proposes that some of the presently operated routes can and should be let to private contractors at a savings to the Government. The recommendation is expected to expedite the letting of private contracts.

Short-haul truck service is provided for transportation of mail diverted from railroad service because of rate differentials or improved service resulting therefrom. Costs of this service is offset by the cost

of railroad service replaced. It is competitive on a financial and service basis with the railroad transportation. This diversion of mail is based upon a long range program to transport mail by the most economical and best means, and this service should be expanded. The funds requested in this appropriation total \$14,654,000 as compared with \$8,321,000 for the current fiscal year, an increase of \$6,333,000. While the committee wishes to encourage the expansion of this service it appears highly doubtful that it will be expanded to the extent indicated. The committee therefore recommends a reduction of \$1,000,000 in this request for funds;

Rail Transportation, for which \$344,910,000 is allocated in the revised estimates, provides funds for payment for transportation of mail by railroads and electric cars in the continental United States, Alaska, and Puerto Rico. Payments are made at rates prescribed by the Interstate Commission except on special contract routes where rates are determined by agreement between the operating railroads and the Postmaster General;

Air Transportation, for which \$138,473,000 is allocated in the revised estimates, provides funds for the transportation of mail by air between points within the United States and Alaska, and to United States Territories and possessions and foreign countries, at rates prescribed by the Civil Aeronautics Board;

Terminal and Transportation Charges by Foreign Countries, for which \$10,891,000 is allocated in the revised estimates, provides for payments to foreign countries in accordance with international postal conventions or agreements for the transportation and handling by their domestic postal services of mails of United States origin.

The committee recommends for the above transportation activities \$573,620,000 which is a reduction of \$61,200,000 below the estimates submitted in January, and \$42,380,000 below the appropriation for the current fiscal year. Specific reductions have been discussed in preceding paragraphs.

CLAIMS

The appropriation for "Claims", for which \$7,280,000 is allocated in the revised estimates, provides funds for the payment of personal and property damage claims against the Post Office Department, adjustment in accounts of postmasters for unavoidable losses, indemnities for loss of or damage to registered, insured, and collect-on-delivery mail, and for payment of money orders more than 1 year old.

The committee recommends for this appropriation \$7,180,000, a reduction of \$100,000 below the amount requested in the January submission, but an increase of \$1,380,000 above the appropriation for the current fiscal year.

LIMITATIONS AND LEGISLATIVE PROVISIONS

(Treasury Department)

The following limitations and legislative provisions not heretofore carried in any appropriation act are included in the bill and are recommended by the committee:

On page 7, line 14, in connection with the Coast Guard:

Provided further, That except as otherwise authorized by the Act of September 30, 1950 (20 U. S. C. 236-244), this appropriation shall be available for expenses of primary and secondary schooling for dependents on Coast Guard personnel stationed outside the continental United States in amounts not exceeding an average of \$250 per student, when it is determined by the Secretary that the schools, if any, available in the locality are unable to provide adequately for the education of such dependents, and the Coast Guard may provide for the transportation of said dependents between such schools and their places of residence when the schools are not accessible to such dependents by regular means of transportation.

(Post Office Department)

On page 11, line 13, in connection with Postal Operations:

, and not in excess of \$500,000 to carry out the purposes of Public Law 513, approved July 11, 1952

On page 11, line 15, in connection with Postal Operations:

Provided, That not to exceed 5 per centum of any appropriation available to the Post Office Department for the current fiscal year may be transferred, with the approval of the Bureau of the Budget, to any other such appropriation or appropriations; but the appropriation "General Administration" shall not be increased by more than \$10,000,000 as a result of such transfers; and Provided further, That functions financed by the appropriations for the current fiscal year for "General Administration" and for "Postal Operations", and the amounts appropriated therefor, may be transferred, in addition to the appropriation transfers otherwise authorized in this Act and with the approval of the Bureau of the Budget, between such appropriations to the extent necessary to improve administration and operations.

COMPARATIVE STATEMENT OF THE APPROPRIATIONS FOR 1953 AND THE ESTIMATES FOR 1954—PERMANENT
INDEFINITE APPROPRIATIONS—TREASURY DEPARTMENT

Object	Appropriations, 1953	Estimates, 1954	Increase (+) or decrease (-)
General and Special Funds:			
Interest on the Public Debt.....	\$6, 450, 000, 000	\$6, 350, 000, 000	-\$100, 000, 000
Public debt retirements payable from ordinary receipts and other statutory retirements.....	620, 063, 100	620, 261, 900	+ 198, 800
Losses in melting gold.....	1, 000	1, 000	-----
Refund of moneys erroneously received and covered.....	2, 000, 000	2, 000, 000	-----
Interest on uninvested trust funds.....	4, 744, 550	4, 919, 550	+ 175, 000
Refunds and drawbacks, Customs.....	20, 000, 000	20, 000, 000	-----
Refunding internal revenue collections.....	2, 543, 000, 000	2, 593, 000, 000	+ 50, 000, 000
Internal revenue collections for Puerto Rico.....	14, 935, 000	14, 935, 000	-----
Coconut oil tax, collections for American-Samoa, Internal Revenue.....	100, 000	60, 000	- 40, 000
Contributions for annuity benefits, White House police and Secret Service forces.....	111, 300	111, 300	-----
Minor coinage profits, etc.....	300, 000	600, 000	+ 300, 000
Silver Profit Fund.....	-----	100, 000	+ 100, 000
Permanent private relief acts.....	1, 620	1, 620	-----
Total, General and Special Funds.....	9, 655, 256, 570	9, 605, 990, 370	- 49, 266, 200

Trust Funds (not a charge against revenue):

Federal Old-Age and Survivors Insurance Trust Fund-----	4, 435, 025, 000	4, 779, 843, 550	+344, 818, 550
Pershing Hall Memorial Fund-----	4, 978	4, 978	-----
Unemployment Trust Fund-----	1, 553, 221, 976	1, 595, 707, 000	+42, 485, 024
Payment of Pre-1934 Bonds of the Government of the Philippines-----	120, 000	80, 000	--40, 000
Mexican Claims Fund-----	2, 500, 000	2, 500, 000	-----
Payment of Unclaimed Moneys-----	150, 000	150, 000	-----
Refunds, Transfers and Expenses of Operation, Puerto Rico, Bureau of Customs-----	3, 502, 000	3, 517, 000	+15, 000
Refunds, Transfers and Expenses of Operation, Virgin Islands, Bureau of Customs-----	165, 000	168, 000	+3, 000
Refunds, Transfers and Expenses of Unclaimed, Abandoned and Seized Goods, Bureau of Customs-----	230, 000	230, 000	-----
Expenses, Treasury Department, Enforcement Title III, National Prohibition Act, as amended, Puerto Rico and Virgin Islands-----	116, 826	137, 976	+21, 150
Total, Trust Funds-----	5, 995, 035, 780	6, 382, 338, 504	+387, 302, 724

**COMPARATIVE STATEMENTS OF APPROPRIATIONS FOR 1953, ESTIMATES FOR 1954 AND AMOUNTS
RECOMMENDED IN THE BILL FOR 1954**

TREASURY DEPARTMENT

Agency and item	Appropriations 1953	Estimates 1954	Recommended in bill for 1954	Bill compared with—	
				1953 appropriations	1954 estimates
OFFICE OF THE SECRETARY					
Salaries and expenses-----	\$2,585,000	\$2,620,000	\$2,400,000	—\$185,000	—\$220,000
BUREAU OF ACCOUNTS					
Salaries and expenses-----	2,000,000	2,000,000	1,800,000	—200,000	—200,000
Disbursement, Division of, salaries and expenses-----	12,200,000	12,065,000	11,000,000	—1,200,000	—1,065,000
Total, Bureau of Accounts-----	14,200,000	14,065,000	12,800,000	—1,400,000	—1,265,000
BUREAU OF PUBLIC DEBT					
Administering the public debt-----	51,750,000	55,000,000	50,000,000	—1,750,000	—5,000,000
OFFICE OF THE TREASURER					
Salaries and expenses-----	20,500,000	20,450,000	17,000,000	—3,500,000	—3,450,000
Contingent expenses, public moneys-----	550,000	550,000	350,000	—200,000	—200,000
Total, Office of the Treasurer-----	21,050,000	21,000,000	17,350,000	—3,700,000	—3,650,000
BUREAU OF CUSTOMS					
Salaries and expenses-----	41,000,000	42,000,000	40,500,000	—500,000	—1,500,000

BUREAU OF INTERNAL REVENUE				
Salaries and expenses-----	270,000,000	272,500,000	266,000,000	-4,000,000
Additional income tax on railroads in Alaska-----	7,000			-7,000
Total, Bureau of Internal Revenue-----	270,007,000	272,500,000	266,000,000	-4,007,000
BUREAU OF NARCOTICS				
Salaries and expenses-----	2,790,000	2,790,000	2,790,000	
U. S. SECRET SERVICE				
Salaries and expenses-----	2,725,000	2,725,000	2,500,000	-225,000
Salaries and expenses, White House Police-----	698,000	698,000	630,000	-68,000
Salaries and expenses, Guard Force-----	465,000	430,000	375,000	-90,000
Total, U. S. Secret Service-----	3,888,000	3,853,000	3,505,000	-383,000
BUREAU OF THE MINT				
Salaries and expenses-----	4,825,000	5,300,000	4,700,000	-125,000
COAST GUARD				
Operating expenses-----	199,200,000	200,000,000	188,250,000	-10,950,000
Acquisition, construction and improvements-----	24,250,000	25,000,000	2,500,000	-21,750,000
Retired pay-----	17,625,000	18,600,000	18,600,000	+975,000
Reserve training-----	2,600,000	2,600,000	2,500,000	-100,000
Total, Coast Guard-----	243,675,000	246,200,000	211,850,000	-31,825,000
Total, Treasury Department, regular annual appropriations-----	655,770,000	665,328,000	611,895,000	-43,875,000
				-53,433,000

¹ Includes \$750,000 appropriated under the Second Supplemental Appropriation Act, 1953 (Public Law 11, approved March 28, 1953).

Comparative statements of appropriations for 1953, estimates for 1954 and amounts recommended in the bill for 1954—Con.

TITLE II—POST OFFICE DEPARTMENT

Agency and item	Appropriation, 1953	Estimates, 1954	Recommended in bill for 1954	Bill compared with—	
				1953 appropriations	1954 estimates
General administration-----	\$22, 000, 000	\$24, 000, 000	\$22, 000, 000	-----	-\$2, 000, 000
Postal operations-----	2, 150, 000, 000	2, 240, 700, 000	2, 229, 450, 000	+\$79, 450, 000	-11, 250, 000
Transportation of mails-----	616, 000, 000	634, 820, 000	573, 620, 000	-42, 380, 000	-61, 200, 000
Claims-----	5, 800, 000	7, 280, 000	7, 180, 000	+1, 380, 000	-100, 000
Total, Post Office Department-----	2, 793, 800, 000	2, 906, 800, 000	2, 832, 250, 000	+38, 450, 000	-74, 550, 000
Grand total, titles I and II, Treasury and Post Office Departments-----	3, 449, 570, 000	3, 572, 128, 000	3, 444, 145, 000	-5, 425, 000	-127, 983, 000

○

Union Calendar No. 132

83^D CONGRESS
1ST SESSION

H. R. 5174

[Report No. 416]

IN THE HOUSE OF REPRESENTATIVES

MAY 13, 1953

Mr. CANFIELD, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

Making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1954, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 TITLE I—TREASURY DEPARTMENT

4 That the following sums are appropriated, out of any money
5 in the Treasury not otherwise appropriated, for the Treasury
6 Department for the fiscal year ending June 30, 1954,
7 namely:

1 OFFICE OF THE SECRETARY

2 SALARIES AND EXPENSES

3 For necessary expenses in the Office of the Secretary,
4 including the operation and maintenance of the Treasury
5 Building and Annex thereof; and the purchase of uniforms
6 for elevator operators; \$2,400,000.

7 BUREAU OF ACCOUNTS

8 SALARIES AND EXPENSES

9 For necessary expenses of the Bureau of Accounts,
10 \$1,800,000: *Provided*, That Federal Reserve banks and
11 branches may be reimbursed for necessary expenses incident
12 to the deposit of taxes in Government depositories.

13 SALARIES AND EXPENSES, DIVISION OF DISBURSEMENT

14 For necessary expenses of the Division of Disbursement,
15 \$11,000,000.

16 BUREAU OF THE PUBLIC DEBT

17 ADMINISTERING THE PUBLIC DEBT

18 For necessary expenses connected with any public-debt
19 or currency issues of the United States, \$50,000,000 to be
20 expended as the Secretary of the Treasury may direct, and
21 the Secretary is authorized to accept services without com-
22 pensation: *Provided*, That Federal Reserve banks and
23 branches may be reimbursed for expenditures as fiscal agents
24 of the United States on account of public-debt transactions
25 for the account of the Secretary of the Treasury: *Provided*

1 *further*, That the indefinite appropriation provided by section
2 10 of the Second Liberty Bond Act, as amended (31 U. S. C.
3 760), shall not be available for obligation during the current
4 fiscal year.

5 OFFICE OF THE TREASURER

6 SALARIES AND EXPENSES

7 For necessary expenses of the Office of the Treasurer,
8 \$17,000,000.

9 CONTINGENT EXPENSES, PUBLIC MONEYS

10 For the collection, safekeeping, transfer, and disburse-
11 ment of the public money and securities of the United States,
12 \$350,000.

13 BUREAU OF CUSTOMS

14 SALARIES AND EXPENSES

15 For necessary expenses of the Bureau of Customs, in-
16 cluding examination of estimates of appropriations in the
17 field; expenses of attendance at meetings of organizations
18 concerned with the purposes of this appropriation; purchase
19 of fifty passenger motor vehicles for replacement only;
20 arms and ammunition; services as authorized by section
21 15 of the Act of August 2, 1946 (5 U. S. C. 55a);
22 and not to exceed \$1,220,000 for personal services in the
23 District of Columbia exclusive of ten persons from the field
24 force authorized to be detailed under law (19 U. S. C.
25 1525); \$40,500,000.

BUREAU OF INTERNAL REVENUE

SALARIES AND EXPENSES

For necessary expenses of the Bureau of Internal Revenue, including expenses, when specifically authorized by the Commissioner, of attendance at meetings of organizations concerned with internal-revenue matters; purchase (not to exceed one hundred for replacement only) and hire of passenger motor vehicles; examination of estimates of appropriations in the field; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), and of expert witnesses at such rates as may be determined by the Commissioner; and ammunition; \$266,000,000: *Provided*, That the amount for personal services in the District of Columbia shall not exceed \$18,410,000.

BUREAU OF NARCOTICS

SALARIES AND EXPENSES

For necessary expenses of the Bureau of Narcotics, including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); hire of passenger motor vehicles; arms and ammunition; and not to exceed \$10,000 for services or information looking toward the apprehension of narcotic law violators who are fugitives from justice; \$2,790,000.

1 UNITED STATES SECRET SERVICE

2 SALARIES AND EXPENSES

3 For necessary expenses of the United States Secret Serv-
4 ice, including purchase (not to exceed twenty for replace-
5 ment only) and hire of passenger motor vehicles; and
6 arms and ammunition; \$2,500,000.

7 SALARIES AND EXPENSES, WHITE HOUSE POLICE

8 For necessary expenses of the White House Police, in-
9 cluding uniforms and equipment, and arms and ammunition,
10 purchases to be made in such manner as the President may
11 determine, \$630,000.

12 SALARIES AND EXPENSES, GUARD FORCE

13 For necessary expenses of the guard force for Treasury
14 Department buildings in the District of Columbia, including
15 purchase, repair, and cleaning of uniforms; and arms and
16 ammunition; \$375,000.

17 BUREAU OF THE MINT

18 SALARIES AND EXPENSES

19 For necessary expenses of the Bureau of the Mint,
20 including arms and ammunition; purchase and maintenance
21 of uniforms and accessories for guards; purchase of one
22 passenger motor vehicle (for replacement only); examina-
23 tion of estimates of appropriations in the field; and not to

1 exceed \$1,000 for the expenses of the annual assay com-
2 mission; \$4,700,000.

3 COAST GUARD

4 OPERATING EXPENSES

5 For necessary expenses for the operation and mainte-
6 nance of the Coast Guard, not otherwise provided for, includ-
7 ing services as authorized by section 15 of the Act of
8 August 2, 1946 (5 U. S. C. 55a) ; purchase of not to exceed
9 thirty-two passenger motor vehicles for replacement only;
10 maintenance, operation, and repair of aircraft; recreation and
11 welfare; and examination of estimates of appropriations in
12 the field; \$188,250,000: *Provided*, That the number of air-
13 craft on hand at any one time shall not exceed one hundred
14 and thirty-seven exclusive of planes and parts stored to meet
15 future attrition: *Provided further*, That (a) the unobligated
16 balance of appropriation to the Coast Guard for the fiscal
17 year 1953 for "Operating expenses" shall be transferred on
18 July 1, 1953, to the account established by the Surplus
19 Fund-Certified Claims Act of 1949 for payment of certified
20 claims; (b) amounts equal to the unliquidated obligations
21 on July 1, 1953, against the appropriation "Operating ex-
22 penses", fiscal year 1953, and the appropriation for "Operat-
23 ing expenses" for the fiscal year 1952 which was merged

1 therewith pursuant to the Treasury Department Appropria-
2 tion Act, 1953, shall be transferred to and merged with
3 this appropriation, and such merged appropriation shall be
4 available as one fund, except for accounting purposes of the
5 Coast Guard, for the payment of obligations properly in-
6 curred against such prior year appropriations and against
7 this appropriation, but on July 1, 1954, there shall be
8 transferred from such merged appropriation to the appro-
9 priation for payment of certified claims (1) any remaining
10 unexpended balance of the 1952 appropriation so trans-
11 ferred, and (2) any remaining unexpended balance of the
12 1953 appropriation so transferred which is in excess of the
13 obligations then remaining unliquidated against such appro-
14 priation: *Provided further*, That except as otherwise author-
15 ized by the Act of September 30, 1950 (20 U. S. C. 236-
16 244), this appropriation shall be available for expenses of
17 primary and secondary schooling for dependents of Coast
18 Guard personnel stationed outside the continental United
19 States in amounts not exceeding an average of \$250 per
20 student, when it is determined by the Secretary that the
21 schools, if any, available in the locality are unable to provide
22 adequately for the education of such dependents, and the
23 Coast Guard may provide for the transportation of said de-

pendents between such schools and their places of residence when the schools are not accessible to such dependents by regular means of transportation.

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

For necessary expenses of acquisition, construction, rebuilding, and improvement of aids to navigation, shore facilities, vessels, and aircraft, including equipment related thereto; and services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a) ; \$2,500,000, to remain available until expended.

RETIRED PAY

For retired pay, including the payment of obligations therefor incurred during prior fiscal years, \$18,600,000.

RESERVE TRAINING

For all necessary expenses for the Coast Guard Reserve, as authorized by law (14 U. S. C. 751-762; 37 U. S. C. 231-319), including expenses for regular personnel, or reserve personnel while on active duty, engaged primarily in administration of the reserve program; and the maintenance, operation, and repair of aircraft; \$2,500,000: *Provided*, That (a) the unobligated balance of appropriation to the Coast Guard for the fiscal year 1953 for "Reserve training" shall be transferred on July 1, 1953, to the account established by the Surplus Fund-Certified Claims Act of 1949 for payment of certified claims; (b) amounts equal to

1 the unliquidated obligations on July 1, 1953, against the
2 appropriation "Reserve training", fiscal year 1953, and
3 the appropriation "Reserve training", fiscal year 1952 which
4 was merged therewith pursuant to the Treasury Depart-
5 ment Appropriation Act, 1953, shall be transferred to and
6 merged with this appropriation, and such merged appropri-
7 ation shall be available as one fund, except for accounting
8 purposes of the Coast Guard, for the payment of obligations
9 properly incurred against such prior year appropriations and
10 against this appropriation, but on July 1, 1954, there shall
11 be transferred from such merged appropriation to the ap-
12 propriation for payment of certified claims (1) any remain-
13 ing unexpended balance of the 1952 appropriation so trans-
14 ferred and (2) any remaining unexpended balance of the
15 1953 appropriation so transferred which is in excess of the
16 obligations then remaining unliquidated against such
17 appropriation.

18 SEC. 102. This title may be cited as the "Treasury
19 Department Appropriation Act, 1954".

20 TITLE II—POST OFFICE DEPARTMENT

21 For administration and operation of the Post Office
22 Department and the postal service, there is hereby appro-
23 priated the aggregate amount of postal revenues for the
24 fiscal year ending June 30, 1954, as authorized by
25 law (39 U. S. C. 786, 794a), together with an amount

1 from any money in the Treasury not otherwise appropriated,
2 equal to the difference between such revenues and the total
3 of the appropriations hereinafter specified and the sum needed
4 may be advanced to the Post Office Department upon requi-
5 sition of the Postmaster General, for the following purposes,
6 namely:

7 GENERAL ADMINISTRATION

8 For expenses necessary for general administration of the
9 postal service, operation of the inspection service, and the
10 conduct of a research and development program, including
11 services as authorized by section 15 of the Act of August 2,
12 1946 (5 U. S. C. 55a) ; at least \$250,000 to be available
13 exclusively for procurement by contract of things and services
14 related to design, development, and construction of equip-
15 ment used in postal operations, and for contracts for manage-
16 ment studies; rewards for information and services concerning
17 violations of postal laws and regulations, current and prior
18 fiscal years, in accordance with regulations of the Postmaster
19 General in effect at the time the services are rendered or
20 information furnished; and expenses of delegates designated
21 by the Postmaster General to attend meetings and congresses
22 for the purpose of making postal arrangements with foreign
23 governments pursuant to law; and the expenses of delegates
24 provided for herein and not to exceed \$20,000 for rewards,
25 as provided for herein, shall be paid in the discretion of the

1 Postmaster General and accounted for solely on his certificate;
2 \$22,000,000.

3 POSTAL OPERATIONS

4 For expenses necessary for postal operations, not other-
5 wise provided for, and for other activities conducted by the
6 Post Office Department pursuant to law, including at least
7 \$500,000 to be available exclusively for manufacture and
8 procurement of improved devices for postal operations and
9 other activities; storage and repair of vehicles owned by,
10 or under control of, units of the National Guard and de-
11 partments and agencies of the Federal Government where
12 repairs are made necessary because of utilization of such
13 vehicles in the postal service, and not in excess of \$500,000
14 to carry out the purposes of Public Law 513, approved
15 July 11, 1952; \$2,229,450,000: *Provided*, That not to
16 exceed 5 per centum of any appropriation available to
17 the Post Office Department for the current fiscal year may
18 be transferred, with the approval of the Bureau of the Budget,
19 to any other such appropriation or appropriations; but the
20 appropriation "General Administration" shall not be in-
21 creased by more than \$10,000,000 as a result of such trans-
22 fers: *Provided further*, That functions financed by the ap-
23 propriations for the current fiscal year for "General Ad-
24 ministration" and for "Postal Operations," and the amounts
25 appropriated therefor, may be transferred, in addition to

1 the appropriation transfers otherwise authorized in this Act
2 and with the approval of the Bureau of the Budget, between
3 such appropriations to the extent necessary to improve
4 administration and operations.

5 TRANSPORTATION OF MAILS

6 For payments for transportation of domestic and foreign
7 mails by air, land, and water transportation facilities, includ-
8 ing current and prior fiscal years settlements with foreign
9 countries for handling of mail; and for expenses, exclusive
10 of personal services, necessary for operation of Govern-
11 ment-owned highway post office transportation service;
12 \$573,620,000.

13 CLAIMS

For settlement of claims, pursuant to law, current and prior fiscal years, for damages (28 U. S. C. 2672; 31 U. S. C. 224c) ; losses resulting from unavoidable casualty (39 U. S. C. 49) ; loss of or damage to mail, and failure to remit collect-on-delivery charges (5 U. S. C. 372; 39 U. S. C. 244, 245a-1, 245b-1, 245d-1, 381, 382, 387) ; and domestic money orders more than one year old (31 U. S. C. 725k) ; \$7,180,000.

22 GENERAL PROVISIONS

23 SEC. 202. Appropriations made in this title for general
24 administration and for postal operations shall be available
25 for examination of estimates of appropriations in the field.

1 SEC. 203. Appropriations made in this title, except those
2 for payment of claims, shall be available for expenditures in
3 connection with accident prevention.

4 SEC. 204. Appropriations made in this title available
5 for expenses of travel shall be available, under regulations
6 prescribed by the Postmaster General, for expenses of at-
7 tendance at meetings of technical, scientific, professional, or
8 other similar organizations concerned with the function or
9 activity for which the appropriation concerned is made.

10 SEC. 205. This title may be cited as the "Post Office
11 Department Appropriation Act, 1954".

12 TITLE III—GENERAL PROVISIONS

13 SEC. 301. No part of any appropriation contained
14 in this Act shall be used to pay the salary or wages
15 of any person who engages in a strike against the
16 Government of the United States or who is a member
17 of an organization of Government employees that as-
18 serts the right to strike against the Government of the
19 United States, or who advocates, or is a member of an
20 organization that advocates, the overthrow of the Govern-
21 ment of the United States by force or violence: *Provided*,
22 That for the purposes hereof an affidavit shall be considered
23 prime facie evidence that the person making the affidavit has
24 not contrary to the provisions of this section engaged in a
25 strike against the Government of the United States, is not a

1 member of an organization of Government employees that
2 asserts the right to strike against the Government of the
3 United States, or that such person does not advocate, and
4 is not a member of an organization that advocates, the over-
5 throw of the Government of the United States by force or
6 violence: *Provided further*, That any person who engages
7 in a strike against the Government of the United States or
8 who is a member of an organization of Government em-
9 ployees that asserts the right to strike against the Govern-
10 ment of the United States, or who advocates, or who is a
11 member of an organization that advocates, the overthrow of
12 the Government of the United States by force or violence
13 and accepts employment the salary or wages for which are
14 paid from any appropriation or fund contained in this Act
15 shall be guilty of a felony and, upon conviction, shall be fined
16 not more than \$1,000 or imprisoned for not more than one
17 year, or both: *Provided further*, That the above penalty
18 clause shall be in addition to, and not in substitution for,
19 any other provisions of existing law.

20 SEC. 302. This Act may be cited as the "Treasury and
21 Post Office Departments Appropriation Act, 1954".

83^d CONGRESS
1ST Session

H. R. 5174

[Report No. 416]

A BILL

Making appropriations for the Treasury and
Post Office Departments for the fiscal year
ending June 30, 1954, and for other purposes.

By Mr. CANFIELD

MAY 13, 1953

Committed to the Committee of the Whole House on
the State of the Union and ordered to be printed

CONSIDERATION OF H. R. 5174

MAY 13, 1953.—Referred to the House Calendar and ordered to be printed

Mr. ALLEN of Illinois, from the Committee on Rules, submitted the following

REPORT

[To accompany H. Res. 235]

The Committee on Rules, having had under consideration House Resolution 235, report the same to the House with the recommendation that the resolution do pass.



THE UNIVERSITY OF CHICAGO
DEPARTMENT OF CHEMISTRY

RECEIVED

APR 10 1961

FROM THE UNIVERSITY OF CHICAGO
DEPARTMENT OF CHEMISTRY

TO THE UNIVERSITY OF CHICAGO
DEPARTMENT OF CHEMISTRY

CHICAGO

APR 10 1961

FROM THE UNIVERSITY OF CHICAGO
DEPARTMENT OF CHEMISTRY

TO THE UNIVERSITY OF CHICAGO
DEPARTMENT OF CHEMISTRY

FROM THE UNIVERSITY OF CHICAGO
DEPARTMENT OF CHEMISTRY

TO THE UNIVERSITY OF CHICAGO
DEPARTMENT OF CHEMISTRY

FROM THE UNIVERSITY OF CHICAGO
DEPARTMENT OF CHEMISTRY

TO THE UNIVERSITY OF CHICAGO
DEPARTMENT OF CHEMISTRY

FROM THE UNIVERSITY OF CHICAGO
DEPARTMENT OF CHEMISTRY

TO THE UNIVERSITY OF CHICAGO
DEPARTMENT OF CHEMISTRY

House Calendar No. 57

83^D CONGRESS
1ST SESSION

H. RES. 235

[Report No. 421]

IN THE HOUSE OF REPRESENTATIVES

MAY 13, 1953

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

RESOLUTION

1 *Resolved*, That upon the adoption of this resolution it
2 shall be in order to move that the House resolve itself into
3 the Committee of the Whole House on the State of the
4 Union for the consideration of the bill (H. R. 5174) making
5 appropriations for the Treasury and Post Office Departments
6 for the fiscal year ending June 30, 1954, and for other
7 purposes, and all points of order against said bill or any
8 provisions contained in said bill are hereby waived. After
9 general debate, which shall be confined to the bill and con-
10 tinue not to exceed three hours, to be equally divided and
11 controlled by the chairman and ranking minority member of
12 the Committee on Appropriations, the bill shall be read for

83d CONGRESS
1ST SESSION**H. RES. 235**

[Report No. 421]

RESOLUTION

Providing for the consideration of H. R. 5174,
a bill making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1954, and for other purposes.

By Mr. ALLEN of Illinois

MAY 13, 1953

Referred to the House Calendar and ordered to be
printed

1 amendment under the five-minute rule. At the conclusion
2 of the consideration of the bill for amendment, the Com-
3 mittee shall rise and report the bill to the House with such
4 amendments as may have been adopted and the previous
5 question shall be considered as ordered on the bill and amend-
6 ments thereto to final passage without intervening motion
7 except one motion to recommit.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued May 15, 1953
For actions of May 14, 1953
33rd-1st, No. 88

CONTENTS

Accounting.....10	Flammable fabrics.....3	Reclamation.....18
Adjournment.....6	Flood control.....19	Reorganization.....8,14
Appropriations.....1,2,15	Interest rates.....16	Retirement.....5
Budgeting.....10	Item veto.....2	St. Lawrence seaway.....12
Dairy industry.....4	Legislative program.....6	Soil conservation.....19
Economic controls.....7	Personnel.....5,9	Taxation.....20
Electrification.....17	Prices, farm.....2	Treaties.....13
Expenditures.....20	support.....11	

HIGHLIGHTS: House committees reported agricultural appropriation and flammable-fabrics bills. House passed Treasury-Post Office appropriation bill. Rep. Fountain submitted resolution to disapprove USDA reorganization plan.

HOUSE

1. AGRICULTURAL APPROPRIATION BILL, 1954. The Appropriations Committee reported this bill, H. R. 5227 (H. Rept. 422)(p. 5111). Debate on the bill is to begin Mon. (p. 5112). Rep. Whitten reserved all points of order on the bill (p.5111).

Representatives of the Department agencies and bureaus have been advised in detail of the Committee's actions on the estimates for the Department. Copies of the bill, committee report, and hearings will be distributed directly to the agency budget offices, as soon as received, pursuant to a distribution list that has been worked out with the Department agencies. The agencies will receive the material at the same time this office will receive it. The material will not be distributed from this office. In general, copies should be obtained through the agency and bureau budget offices rather than from this office.

At the end of this Digest is a summary comparison of the Committee actions with the 1954 estimates and with total anticipated funds available in 1953, and excerpts from the committee report.

2. TREASURY-POST OFFICE APPROPRIATION BILL, 1954. Passed without amendment this bill, H. R. 5174 (pp. 5086-111). Two amendments by Rep. Roosevelt, to provide for item vetoes on this bill, were stricken on points of order after discussion (pp. 5096-7, 5108-9, 5111). Rep. Eberharter claimed the Secretary is trying to decrease farm prices (pp. 5086-7).
3. FLAMMABLE FABRICS. The Interstate and Foreign Commerce Committee reported without amendment H. R. 5069, to prohibit interstate commerce in dangerously flammable fabrics and apparel (H. Rept. 425)(p. 5122).
4. DAIRY INDUSTRY. Rep. Marshall spoke on the importance of the dairy industry (pp. 5119-21).
5. PERSONNEL. Rep. Bailey claimed the administration is weakening the civil-service

system (pp. 5121-2).

Received from the Committee on Retirement Policy for Federal Personnel a proposed bill to amend the Civil Service Retirement Act; to Post Office and Civil Service Committee (p. 5122).

6. ADJOURNED until Mon., May 18 (p. 5122). Legislative program for next week, as announced by Majority Leader Halleck: Mon., consent calendar and agricultural appropriation bill; private calendar and agricultural appropriation bill, with no votes on major controversial amendments; Wed., completion of debate and vote on agricultural appropriation bill, debate on Labor-HEW bill; Thurs. and Fri., Labor-HEW appropriation bill (pp. 5111-2). The Labor-HEW bill is expected to be reported during House recess today (p. 5111).

SENATE

7. ECONOMIC CONTROLS. Agreed to begin voting, on Tues., May 19, on amendments to S. 1081, authorizing temporary economic controls, with a limitation on debate (p. 5083).

BILLS INTRODUCED

8. REORGANIZATION. H. Res. 236, by Rep. Fountain, disapproving the reorganization plan for this Department; to Government Operations Committee (p. 5123).
9. PERSONNEL. H. R. 5224, by Rep. Rees, Kans., to facilitate civil-service appointment of persons who lost opportunity therefor because of service in the armed forces after June 30, 1950, and to provide certain benefits upon appointment; to Post Office and Civil Service Committee (p. 5123).
- H. R. 5225, by Rep. Rees, Kans., to protect the security of the U. S. by preventing the employment by the Government of persons who are disloyal to, or believe in the right to strike against, the Government; to Post Office and Civil Service Committee (p. 5123).
10. BUDGETING; ACCOUNTING. H. R. 5228, by Rep. Borner, "to amend section 303 of the Budget and Accounting Act"; to Government Operations Committee (p. 5123).

ITEMS IN APPENDIX

11. PRICE SUPPORTS. Sen. Murray inserted his radio broadcast favoring 100%-of-parity price supports on basic and other commodities (p. A2763).
- Rep. Harvey inserted a newspaper editorial aligning the forces on the price-support question (pp. A2771-2).
- Rep. Harvey inserted a newspaper article discussing the differences in cotton production costs between antiquated and mechanized farming methods, claiming the efficient farmer gets "large subsidies" under the price-support program and the "marginal" farmer gets very little (pp. A2772-3).
12. ST. LAWRENCE SEAWAY. Sen. Hoey inserted a Boston Post editorial opposing this project (p. A2766).
- Rep. Rooney inserted a Brooklyn Eagle editorial opposing the project (p. A2772).
13. TREATIES. Sen. Bricker inserted a Columbus Dispatch article opposing intervention of the executive branch in consideration of S. J. Res. 1, which would limit the President's treaty powers (p. A2767).
- Rep. Smith, Wis., inserted Carl B. Rix's address favoring S. J. Res. 1 (pp. A2789-91).

House of Representatives

THURSDAY, MAY 14, 1953

The House met at 10 o'clock a. m.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Most merciful and gracious God, we thank Thee for the priceless gift of a new day which we are called to make the most of and the best of.

May it not be just another routine day added to our years, but may we appraise it as a golden opportunity to contribute new meaning and worth to our own life and life of all mankind.

Grant that it may be a day filled with the best things; a day of faith and adventure, of vision and victory, of friendship and fraternity, of hope and helpfulness; a day when we shall move to higher levels of thought and action.

We pray that the legislation proposed and enacted here today may help lift the burdens which weigh so heavily on the backs and hearts of those whose lives are hard and full of hazards.

May our President, our Speaker, and all our chosen Representatives be blessed with insight and inspiration, with skill and sympathy, with wisdom and understanding as they seek peace on earth and good will among men.

Hear us in the name of the Prince of Peace. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 2277. An act to amend the act entitled "An act to incorporate the Roosevelt Memorial Association," approved May 31, 1920, so as to change the name of such association to "Theodore Roosevelt Association," and for other purposes.

CORRECTION OF ROLL CALL

Mr. TOLLEFSON. Mr. Speaker, on rollcall 35 of yesterday I am recorded as being absent. I was present and answered to my name. I ask unanimous consent that the RECORD and Journal may be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

SPECIAL ORDER GRANTED

Mr. SMITH of Wisconsin asked and was given permission to address the House for 20 minutes on Tuesday next,

following the legislative business of the day and any special orders heretofore entered.

PARTICIPATION BY UNITED STATES GOVERNMENT IN NATIONAL CELEBRATION OF 50TH ANNIVERSARY YEAR OF CONTROLLED-POWERED FLIGHT

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent for the immediate consideration of the resolution (H. J. Res. 193) to provide for proper participation by the United States Government in a national celebration of the 50th anniversary year of controlled-powered flight occurring during the year from December 17, 1952, to December 17, 1953.

The Clerk read as follows:

Whereas two Americans, Orville and Wilbur Wright, of Dayton, Ohio, made the world's first successful controlled-powered flight in a heavier-than-air craft at Kitty Hawk, N. C., on December 17, 1903; and

Whereas American inventiveness and competitive enterprise during the half century since December 17, 1903, has developed the airplane into one of mankind's most powerful economic tools, into a social force which has recast the earth, into the most decisive element in the armor of the free world; and

Whereas the epochal contribution of the Wright brothers is a historical milestone in world aviation leadership; and

Whereas the National Committee To Observe the Fiftieth Anniversary of Powered Flight desires and the President of the United States has directed the Federal Government to participate in a broad program of commemorative activities; and

Whereas it is the judgment of the Congress that a proper coordination of Government participation in this anniversary be achieved: Therefore be it

Resolved, etc., That the period from December 17, 1952, to December 17, 1953, be, and it is hereby, declared the 50th anniversary year of controlled-powered flight.

The President of the Senate shall appoint six Members and the Speaker of the House shall appoint six Members to compose a Joint Committee on Observance of the Fiftieth Anniversary Year of Controlled-Powered Flight, and may appoint additional Members of their respective Houses, from time to time, to represent the Congress at principal national events during the 50th anniversary year of controlled flight.

When requested thereto by the joint committee appointed pursuant to this resolution, the Secretary of Defense is authorized and directed to arrange for the cooperation of and appropriate participation by the various armed services in the celebration of the 50th anniversary year of controlled-powered flight.

Necessary travel expenses of any Member of Congress incidental to the performance of duties and responsibilities pursuant to designation under this resolution shall be paid out of the contingent fund of the House of which such Member is a Member, upon vouchers approved by the chairman

elected by the joint committee created hereunder.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. HINSHAW]?

There was no objection.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. HINSHAW. Mr. Speaker, there is a similar Senate bill lying on the Speaker's table; therefore I ask unanimous consent for the immediate consideration of Senate Joint Resolution 42, to provide for proper participation by the United States Government in a national celebration of the 50th anniversary year of controlled-powered flight occurring during the year from December 17, 1952, to December 17, 1953.

The Clerk read the title of the Senate joint resolution.

There being no objection, the Clerk read the Senate joint resolution, as follows:

Whereas two Americans, Orville and Wilbur Wright, of Dayton, Ohio, made the world's first successful controlled-powered flight in a heavier-than-air craft at Kitty Hawk, N. C., on December 17, 1903; and

Whereas American inventiveness and competitive enterprise during the half century since December 17, 1903, has developed the airplane into one of mankind's most powerful economic tools, into a social force which has recast the earth, into the most decisive element in the armor of the free world; and

Whereas the epochal contribution of the Wright brothers is a historical milestone in world aviation leadership; and

Whereas the National Committee To Observe the Fiftieth Anniversary of Powered Flight desires and the President of the United States has directed the Federal Government to participate in a broad program of commemorative activities; and

Whereas it is the judgment of the Congress that a proper coordination of Government participation in this anniversary be achieved: Therefore be it

Resolved, etc., That the period from December 17, 1952, to December 17, 1953, be, and it is hereby, declared the fiftieth anniversary year of controlled-powered flight.

The President of the Senate shall appoint six Members and the Speaker of the House shall appoint six Members to compose a Joint Committee on Observance of the Fiftieth Anniversary Year of Controlled-Powered Flight, and may appoint additional Members of their respective Houses from time to time, to represent the Congress at principal national events during the fiftieth anniversary year of controlled flight.

When requested thereto by the joint committee appointed pursuant to this resolution, the Secretary of Defense is authorized and directed to arrange for the cooperation of and appropriate participation by the various armed services in the celebration of the 50th anniversary year of controlled-powered flight.

Necessary travel expenses of any Member of Congress incidental to the performance of duties and responsibilities pursuant to designation under this resolution shall be paid out of the contingent fund of the House of which such member is a Member, upon vouchers approved by the chairman elected by the joint committee created hereunder.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed.

By unanimous consent, the proceedings whereby House Joint Resolution 193 was passed were vacated and the joint resolution laid on the table.

A motion to reconsider was laid on the table.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL, 1954

Mr. CHENOWETH. Mr. Speaker, by direction of the Rules Committee, I call up House Resolution 235 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5174) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1954, and for other purposes, and all points of order against said bill or any provisions contained in said bill are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. CHENOWETH. Mr. Speaker, I yield 30 minutes to the gentleman from Virginia [Mr. SMITH]. I yield myself such time as I may require.

Mr. Speaker, this rule makes in order the consideration of H. R. 5174, a bill making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1954, and for other purposes. It is an open rule providing for 3 hours of general debate to be equally divided between the chairman and ranking minority member of the committee. The rule waives all points of order against the bill.

I do not know of anything controversial in the bill and I am not sure that points of order would have been made against the provisions of the bill. However, the chairman of the subcommittee, the gentleman from New Jersey [Mr. CANFIELD] and the gentleman from Virginia [Mr. GARY] ranking minority member, appeared before the Rules Committee and requested this rule which waives all points of order.

There are two provisions contained in the bill which would probably be subject to points of order, and for this reason the rule was requested. The bill provides that not to exceed 5 percent of any

appropriation available to the Post Office Department for the current fiscal year may be transferred, with the approval of the Bureau of the Budget, to any other such appropriation or appropriations for the Post Office Department.

Mr. Speaker, I understand this is a procedure which has been followed for some time. I do not know that there is anything new or unusual about this provision. However, this is one of the sections which the committee had in mind when requesting the Rules Committee to grant this rule waiving points of order.

The other provision relates to the Coast Guard and provides that this appropriation shall be available for expenses of primary and secondary schooling for dependents of Coast Guard personnel stationed outside the continental United States in amounts not exceeding an average of \$250 per student, when it is determined by the Secretary that the schools, if any, available in the locality are unable to provide adequately for the education of such dependents, and the Coast Guard may provide for the transportation of said dependents between such schools and their places of residence when the schools are not accessible to such dependents by regular means of transportation.

Mr. Speaker, I understand that this is the same privilege which is now granted to other branches of the armed services. All this provision does is to place the Coast Guard on an equality with the Army, Navy, Air Force, and Marines, and give the children of members of this organization the same advantages now enjoyed by children of members serving in other branches of the armed services, so far as education outside of the United States is concerned. I understand only a few children of the Coast Guard are involved. I believe the chairman of the committee said something like 40 in all, so the number is very small. Mr. Speaker, I do not believe there will be any objection to this provision of the bill.

Mr. Speaker, this bill recommends an appropriation of \$611,895,000 for the Treasury Department, which is \$43,875,000 less than the amount of money appropriated for the Department in 1953 and is \$53,433,000 less than the budget estimates for 1954, as previously submitted.

H. R. 5174 also recommends the appropriation of \$2,832,250,000 for the Post Office Department, which represents an increase in the appropriation of \$38,450,000 over the fiscal year of 1953, but a decrease in the previously submitted budget estimate of \$74,550,000.

If H. R. 5174 is passed, the combined appropriations for both the Treasury, and the Post Office Departments will be \$127,983,000 less than the amount called for in the 1954 budget estimates for these two Departments. This bill recommends a reduction of \$5,425,000 in the amount of regular annual appropriation as compared to the appropriation for the year 1953.

The recommended decrease in appropriations for the Treasury Department was made in the expectation of a reduction in the personnel of the Department.

The Treasury Department will employ approximately 76,157 people, about 3,167 less than was contemplated, in the budget request on January 9, 1953. There would also be a reduction in the military personnel of the United States Coast Guard from 34,836 to 33,677 in the coming year.

This appropriation bill takes into consideration in its recommendation of \$2,832,250,000 for the Post Office Department that this Department will employ approximately 520,000 people.

Mr. Speaker, this is an important bill and should receive the immediate consideration of this House. I, therefore, urge the adoption of this resolution.

(Mr. CHENOWETH asked and was given permission to revise and extend his remarks.)

Mr. SMITH of Virginia. Mr. Speaker, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. EBERHARTER].

(Mr. EBERHARTER asked and was given permission to revise and extend his remarks and include a newspaper article.)

Mr. EBERHARTER. Mr. Speaker, the Christian Science Monitor of May 11, 1953, carries a news story under this headline "Food-Cost Sag a Portent?"

May I again commend the Secretary of Agriculture upon his efforts to lower food costs to the consumer?

I am disappointed that Republican Members of Congress have been reluctant to support the policies of the Secretary of Agriculture. I suggest that they read the statement which I am including in the RECORD.

Farmers certainly realize that the coddling of the Democratic administrations of the past is at an end. Secretary Benson has raised the interest rate on loans on grain stored by the farmers. No doubt other steps will be taken to stop pampering the farmers and guaranteeing him protection against economic forces.

FOOD-COST SAG A PORTENT?

(By Josephine Ripley)

WASHINGTON.—Food prices, which were the first to head upward in the postwar inflation race, are now the first to peel off in the other direction.

Evidence of this decline appears in a report from the Department of Agriculture of a 3.4 percent drop in retail food prices over the first 3 months of the year.

This brings the cost of the family market basket down to its lowest level since 1950. Not that the market basket of that day was any bargain by prewar standards, but the reduction represents a \$25 saving over the period of a year.

The Department's price check on foods is kept on the basis of an average year's supply for a family of three.

The lower cost of this year's basket is due for the most part to the lower cost of beef.

The highest market basket price on record was that of 1952, when this average family of three had to foot a food bill of \$740.

Figured on the basis of prices over the first 3 months of this year, the price tag on the food basket would be \$710. Last year at this time it was \$735.

The price of that market basket has been going up ever since 1940, when it was only \$319.

Even under price controls during the World War, food prices edged up slowly.

By 1945, when the war ended, this same basket was up to \$459.

It took a real leap in cost between 1950, when it was \$645, and 1951 when it cost \$722.

This new trend in food prices does not necessarily portend a substantial drop in the over-all cost of living, since other costs are still rising, according to the latest price index of the Bureau of Labor Statistics.

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana [Mr. MADDEN].

Mr. MADDEN. Mr. Speaker, the reduction in this bill concerning the Post Office Department appropriation is poor economy. I want to call the attention of the Congress to the situation in industrial areas. The industrial Calumet region of Indiana is not any different than other industrial areas throughout the country. There should be provisions in this bill so the Post Office Department in these areas can hire added help for better postal service. There is a great concentration of industrial workers in these areas whose families came to these districts during the last 10 years. In the Calumet region of Indiana the postal employees are handling mail for thousands of additional patrons in spite of the fact that their budgets have been greatly reduced instead of increased.

I see in this bill where there has been a \$127 million cut, or 3½ percent, for the Post Office Department. A year ago there was a very marked reduction in the Post Office operational budget. I have met with the postal employees and also with the postmasters in my area on several occasions. Their situation as far as employees is concerned and as far as the postal service is concerned is highly critical.

This does not apply in all areas in the country. I do not imagine that down in some of the rural areas that situation maintains, but in Hammond, Gary, and East Chicago, and other small localities adjacent to these industrial areas, the postal-employee situation is far from adequate and under the one-delivery-a-day system the carrier are overworked. By reason of this postal employees are resigning and sick absentees have tripled.

In the first place, any potential employee in the Post Office Department can go into the industries and secure wages greatly in excess from what they can get in the Post Office Department. In the cities of Hammond, Gary, and East Chicago, particularly in the wintertime and around the Christmas period, it is impossible to get sufficient help to operate the post offices.

About a month ago when I was home I met with the rural postmasters of northern Indiana. I do not know whether in other areas in the rural communities the same situation exists, but one of the rural postal carriers at Cedar Lake, Ind., which is a small town right adjacent to these industrial cities, and whose population has increased almost 5,000 in the last 2 years, told me that during the winter months he reports at the post office at 5:30 in the morning and it is after dark before he completes work at the post office. He is compelled to sort his own mail and then go out on these deliveries, and with the increased number of patrons and increased

number of boxes it is after dark before he completes his work. That situation exists with practically every carrier in the rural area in my district. It is brought about by reason of this great influx of population into this area on account of defense production.

I do not see where there is any economy whatsoever in cutting down the postal service of this country and especially in industrial areas where there is such a great concentration of extra work brought about by reason of this abnormal defense production situation.

Mr. MACHROWICZ. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. I yield to the gentleman from Michigan.

Mr. MACHROWICZ. I want to associate myself completely with the remarks of the gentleman from Indiana. The situation in Detroit is just as bad or worse, due to the fact that the wages of the postal employees are so pitifully low that it is almost impossible for the postmaster to get appropriate help. Because of the cuts in the service the citizens of Detroit and the surrounding areas have been very much handicapped. I think, as the gentleman has so rightfully said, it is false economy to try to disturb the efficiency of the postal service.

Mr. MADDEN. I thank the gentleman.

Mr. CANFIELD. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. I yield to the gentleman from New Jersey.

Mr. CANFIELD. I think that if the gentleman will read the bill he will note there is contained therein \$79,450,000 over and above the funds appropriated for the postal operations last year.

I think you will find that will take care of these industrial and rural demands.

Mr. MADDEN. Could the gentleman inform me as to what the reduction was in the budget last year for the Post Office Department?

Mr. CANFIELD. The reduction by the Congress was \$127 million, but meanwhile there was an indicated saving in transportation of something approximating \$50 million. The last-year cut, may I say to the gentleman from Indiana, was \$28,300,000.

Mr. MADDEN. I might mention further that I was present at the town of Cedar Lake, Ind., at the post office there during the Christmas rush last year. Their quarters were so inadequate that hundreds of packages had to be parked outside the post office due to the fact that they did not have sufficient quarters to accommodate the daily mail and also the influx of Christmas packages. There has been a great deal of agitation about building or providing additional quarters at Cedar Lake, but, of course, the cry comes that on account of the cut in the budget and on account of economy, it is impossible to do that at this time. Possibly the situation in regard to industrial areas can be remedied by the administration of the postal service—I do not know—but I think there should be a different yardstick on the part of the Postmaster General or the heads of the various departments regarding the service of the post offices in industrial areas

where there is a heavier concentration of postal work. There should be additional employees allowed in those areas considering the great increase in the mail and in the postal service for those industrial and defense areas.

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. I yield.

Mr. REES of Kansas. It is my understanding that the Post Office Department is presently giving consideration to the subject matter the gentleman from Indiana is discussing at the present time. I believe in a comparatively short time, the Department will come up with some recommendations and suggestions which will at least partially take care of the situation which the gentleman has so well described to us today.

Mr. MADDEN. I wish to thank the gentleman. In closing I want to state that I am in favor of economy, but I do not see where there can be any economy arrived at by cutting down the postal service in these industrial areas. I venture to say that 97 out of 100 families in my area want two mail deliveries a day. I do know that the administration and the party now in power in their platform said they would give more frequent mail deliveries. I think that was the statement that they made. Under this cut in the Post Office budget, you will never be able to resume the two mail deliveries a day, and if there is anything that I believe the American family is entitled to, it is to receive their mail as soon as possible after it arrives at the post office. The only way they can get adequate delivery of their mail is through two mail deliveries a day.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. I yield.

Mr. BAILEY. Do you not think this proposed cut is merely a gesture? The gentleman from Indiana will recall we have been running better than a half billion dollar deficit in the Post Office, and under the proposed cut here it just simply means a larger deficit for next year because the business of the Department is the largest business serving the American people and it will be carried on, and the result will be an increase in the deficit.

Mr. MADDEN. I thank the gentleman for his remarks. I believe he is absolutely correct. In closing, I repeat I cannot see any economy in cutting down the post service of the country. I do hope this Congress will restore the two deliveries of mail per day.

Mr. CHENOWETH. Mr. Speaker, I yield 5 minutes to the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Speaker, my reason for taking the floor at this time on this rule is to direct the attention of the House to a practice on the part of the Appropriations Committee—and this is not new today or this year, but a practice that has been growing a little more and more as we go along. That is, to include legislation on an appropriation bill. I have no objection to this particular proposal. In fact, I hardly think a rule is required. In fact, I think the legislation is good. I call attention only to the manner in which

these things are being done without what I believe to be proper consideration to legislative committees of the House. I want, as far as reasonable, to safeguard the prerogatives of the legislative committees of this House. Generally speaking, all legislation ought to go through the regular committees. Appropriations Committee is not a legislative committee of the House and should at all times not be regarded as such with respect to the prerogatives of legislative committees.

Mr. CHENOWETH. Mr. Speaker, will the gentleman yield?

Mr. REES of Kansas. I am glad to yield to the gentleman from Colorado who yielded me this time.

Mr. CHENOWETH. One of the reasons I voted for this rule was because the distinguished gentleman from Kansas, who is now addressing the House, chairman of the Committee on Post Office and Civil Service, appeared before the Rules Committee and indicated he had no objection to this rule waiving points of order against this bill. It had considerable influence with me in voting for this rule.

Mr. REES of Kansas. I believe the gentleman will recall that the gentleman from Kansas appeared because the program was already made up. Certainly I did not want to delay it. Furthermore, I did not think this particular item was of sufficient importance to make any difference. The item under consideration in this rule should be enacted into law. As I stated heretofore, I do not believe a rule is required in this case. The Postmaster General ought to have the right to transfer 5 percent of this fund from one department to the other. But, generally speaking, the proper thing when legislation is required it is better for the agencies to come before the regular legislative committees. Then it would be unnecessary to have the Rules Committee take any action such as is being required today.

Mr. CANFIELD. Mr. Speaker, will the gentleman yield?

Mr. REES of Kansas. I yield to the distinguished chairman of the subcommittee.

Mr. CANFIELD. I am sure the distinguished gentleman from Kansas is aware of the fact that the lady from New York, Mrs. KATHARINE ST. GEORGE, has made a study and report wherein numerous recommendations are made. I quote from the report:

This committee has refrained from making specific recommendations that would require legislation or the amendment of existing laws, preferring to leave to the present incumbent Postmaster General and his team a free hand to exercise initiative, judgment, and imagination in the hope that by so doing more and better improvements will result.

It was our position that that approach should be made in the legislative committee. Now, in connection with this specific item, it was my understanding that the Postmaster General had discussed this same language with the gentleman from Kansas, and he approved the flexible approach.

Mr. REES of Kansas. The Postmaster General did call this to the attention of the gentleman from Kansas.

Mr. MADDEN. Mr. Speaker, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Indiana.

Mr. MADDEN. Would the chairman of the subcommittee believe that this so-called inflexible sum of money under the authority of the Postmaster General could be diverted toward increasing the funds allowed to postmasters in industrial areas, so that they could put on added help in the rush seasons?

Mr. REES of Kansas. In all probability that could be done. I just want to make it clear I am not objecting to this particular section of the bill, not at all; I think it is a good provision. I am only talking about the general proposition of bringing in legislation on appropriation bills.

Mr. SMITH of Virginia. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am sympathetic with the gentleman from Kansas, the distinguished chairman of the Committee on the Post Office and Civil Service. This question of legislation on appropriation bills is one that bothers the Rules Committee quite frequently, yet there are always practical considerations which make it desirable and feasible to make exceptions in these cases.

On yesterday when this rule came before the Rules Committee, both the Majority and Minority favored the rule; both thought it was a desirable thing to do these two things that are necessary in here. If I recall correctly the gentleman from Kansas agreed with them that it was a desirable thing to do, and the gentleman very kindly and I thought very considerably said he was not going to object to that yesterday, that he was just complaining about the system which has developed here over a long period of time. But from my experience on the Rules Committee every now and then we run into one of those situations where it is a practical and desirable thing to do in the interest of the country, to waive points of order to particular pieces of legislation attached to appropriation bills.

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. REES of Kansas. I just want to say that the gentleman has made a very fair statement.

Mr. CANFIELD. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. CANFIELD. Further reading from the report, here is what we say:

Members of the committee were deeply impressed by the statement of the Postmaster General to the committee. He has highlighted therein many of the areas where changes looking to the betterment of the service can and should be made. To accomplish some of the changes and improvements will require legislation, either new or by amendment to existing law. The Committee on Appropriations is not, however, the proper committee to originate such legis-

lation. The legislative committee, the Committee on Post Office and Civil Service, is available to give consideration to proposed changes in existing law or to any new legislation that may be desirable.

That is the position of the committee.

Mr. SMITH of Virginia. Mr. Speaker, I just want to say a word about the bill itself. Every time we have a postal bill up here there are a lot of folks who get up and say we ought to spend more money for this, that, and the other thing, we ought to increase salaries, and so forth; very seldom do we here a Member say a kind word for the poor, old, bedraggled budget. The Post Office Department is running at a deficit of \$600 million of the taxpayers' money. The gentleman to my right corrects me and says it is \$700 million. Regardless of exact figures, it is somewhere in that range, and everybody will agree that it is more than it ought to be. I wonder when we are going to get around to the point where either through appropriations or through legislation we are going to do the thing that needs to be done. Of course, it is hard to do. If you undertake to raise the postal rates on books you get a letter from every library in the United States. If you undertake to cut out some surplus service you get a letter from everybody interested saying it is going to ruin the country and probably bring on a depression. But we know that the bald fact remains that while we are trying to balance the budget in other directions the Postal Department is costing the American people \$700 million yearly, and it ought to be a self-sustaining service. What rates should be raised and what should not and what should be done about salaries and costs of transportation I do not know, but it seems to me that is a matter for the Committee on Appropriations and a matter for the Committee on the Post Office and Civil Service. We talk a lot about balancing the budget, but every time a bill comes up and the subject is raised we learn that it is a fine thing to balance the budget but do it on somebody else.

Mr. MILLER of California. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. MILLER of California. I would like to call the gentleman's attention to the fact that during the past 3 years on at least three occasions the Committee on the Post Office and Civil Service has held hearings on addition postal rates and has tried to bring in legislation. That has been repeatedly rejected by the House. The gentleman who is now chairman of the committee, and the gentleman who is the ranking Democratic member have fought vigorously to try to adjust these postal rates. But until the House is willing to accept its responsibility I do not think the committee can do very much.

Mr. SMITH of Virginia. I recognize what the gentleman from California says is correct. I know they have been trying to do something. The purpose of my remarks was simply to give a little more encouragement and a little more

hope that some of us who have been a little weak kneed on this thing may hereafter stand up and do the thing that is so necessary for this country, cut the appropriations and get the budget in shape where the country is solvent.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Indiana.

Mr. HALLECK. I want to commend the gentleman for bringing this matter to the attention of the House at this time. I would like to say to him that this deficit of \$700 million, which is what I understand it is, is a direct charge on the taxpayers. It must be made up out of the general revenues of the Treasury. Some part of the \$700 million involves subsidies that ought to be gotten out in the open and clarified so that we know what we are doing; but beyond that there is very definitely a huge deficit.

May I say to the gentleman that I have known the present Postmaster General, Mr. Summerfield, a long time. He is an able, conscientious, hard working, patriotic American citizen who is taking the responsibilities of his new assignment with the greatest seriousness that anyone can imagine. I am quite sure he wants to tackle this whole over-all problem and if he can get the cooperation of the Congress of the United States many things will be accomplished and they will be accomplished in such manner as to render a public service at less cost and at the same time help cut down this deficit which, after all, stands directly in the way, at least in some measure, of our achieving a balanced budget and making a start on hauling taxes down.

Mr. SMITH of Virginia. I am sure that what the gentleman from Indiana says about Mr. Summerfield is true, but exactly the same thing was true about the previous Postmaster General, Mr. Donaldson. When he came in here trying to save some money, the House almost wanted to lynch him.

Mr. MADDEN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Indiana.

Mr. MADDEN. I agree with what the gentleman from Indiana [Mr. HALLECK] states in regard to balancing the budget in the Post Office Department; but after all, the Post Office Department is the one Department of our Government that gives service to every taxpayer in America. Every individual in America gets a service from the Post Office Department. I do not think we are going to see the time when the Post Office Department will balance its budget. It is a service the taxpayers are entitled to have and considering the present postal situation there should be something done regarding the creation of some kind of a fund to take care of this deficit. Maybe we can go into some of these large post-office subsidies that are paid to the railroads and the airlines for carrying the mail, and cut those down. That may be one of the solutions. You should see some of these mail carriers on one delivery a day leaving the post offices in Hammond,

Gary, East Chicago, and other cities and towns in these industrial centers. These postal carriers have mailbags and packages on their arms and on their backs that make them look like Chinese coolies working on the wharf over in Peking, China. It is unfortunate the way the mail carriers in these industrial areas shoulder that kind of a burden on account of a so-called lack of funds and the one delivery a day system. I think there should be two deliveries of mail restored to the residential areas. In the campaign last year I heard administration candidates say in my district that there would be two mail deliveries restored if the party now in power was elected. So I trust Mr. Summerfield will carry out that promise.

Mr. SMITH of Virginia. My good friend from Indiana has just emphasized and pointed up what I have been saying. He would like to have two mail deliveries in certain areas. That will cost \$80 million a year and increase the deficit just that much.

Mr. Speaker, I did not have any impulse to make a speech this morning, and probably I made a mistake in getting up here, but as long as we got started, let us talk about it a little. You spent last year for the Post Office Department \$3,449,000,000, and while the committee has struggled with it as best it could this year, you are only cutting the 1953 appropriation by \$5 million.

Here is your great trouble in reducing that budget.

There are two things that the Postmaster General cannot do anything about: One is the cost of transportation of mail and the other is what Congress is going to do up here on the Hill about spending some more money.

I want you all to listen carefully this morning when the gentleman from Louisiana makes a speech on this subject and let us get down to cases. He is going to disclose some very startling figures about what kind of a subsidy you are paying the newspapers. Now, all the newspapers I know anything about are chock-full of advertisements. They are just making more money than they ever made before in their lives, and I just do not understand why this Congress should sit up here and subsidize them some more.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. In view of the observation made by my friend the gentleman from Virginia [Mr. SMITH] about the two-mail delivery, I am sure he was not aware of the fact that Postmaster General Summerfield only yesterday made a statement to the national president of the Letter Carriers Association. I have a copy of it in my hands. He called them down because he knew there was going to be a fight, so I guess he talked them into refraining from further prosecution in trying to get the two deliveries a day back. Here is what the Postmaster General said:

I would like to make it absolutely clear, however, that we have a completely open

mind on the eventual restoration of two deliveries.

I know that will amaze my friend from Virginia in view of his position.

It could well be that our studies will show that in some areas of the country, due to population shifts, two deliveries should be reinstated as quickly as possible.

Then he goes on. In other words, he does and he does not. That is the usual theme among the Republican members of the Cabinet.

Mr. SMITH of Virginia. Does that indicate that the two-mail delivery is for the benefit of the public or for the benefit of the letter carriers?

Mr. McCORMACK. I will say from this that Postmaster General Summerfield has promised the restoration of a two-delivery system by inference. He does not say so. I am sure they are going to be disappointed, but I hope not.

Mr. CANFIELD. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from New Jersey.

Mr. CANFIELD. I would like to read Mr. Summerfield's entire statement which Mr. Abrams, the Deputy Postmaster General, who has been in office 3 weeks in charge of postal operations, read yesterday before a group of letter carriers assembled here to support an amendment to restore two-a-day delivery service at a cost of \$80 million. After this statement was read by Mr. Abrams before the group, I understand that Mr. Doherty gave his approval, calling it a very frank and forthright statement. I understand further that the so-called Rhodes amendment will not be presented on the floor this afternoon.

Now, this is the statement in its entirety. May I say before I read it that I have always been a two-a-day delivery man right from the very beginning, and the gentleman from Virginia will bear witness that when the thought was first projected in our committee I was the one dissenting Member, perhaps the first Member of this body to raise objection to cutting this service. But I believe in the traditional spirit of American fair play. I do not believe in grabbing the ball from this new team down here in the Post Office Department that is asking the Congress for a chance to show what it can do to improve the postal service in the Nation at less cost to the American taxpayers.

Now, this is the statement in its entirety:

There is no easy solution to the problem of improving mail service. It involves better collection, distribution, transportation, and delivery of mail.

Our objective is to get a letter from the sender to the receiver in the fastest possible time.

Our studies so far clearly indicate that the problem is one of collection, distribution, and transportation and not primarily of additional deliveries. For example, by making later collections in Washington 56,000 pieces of mail a day are being delivered 24 hours earlier than they would have been. No amount of deliveries would have had that result.

This being so, we think it would be downright dishonest to take the easy course and recommend restoration of two deliveries a

day at a minimum cost of \$80 million a year to the taxpayer.

I would like to make it absolutely clear, however, that we have a completely open mind on the eventual restoration of two deliveries. It could well be that our studies will show that in some areas of the country, due to population shifts, two deliveries should be reinstituted as quickly as possible.

I have stated from the beginning that this problem along with all the service problems of the Post Office Establishment will receive unprejudiced scrutiny and we will be guided by the facts. If our studies show that two deliveries are necessary, we will be the first to join with you in requesting the appropriation necessary for effecting the change.

In the meantime, we will keep you advised of the progress and will be happy to receive any information you may have which bears on this problem.

Mr. SMITH of Virginia. If everybody is through, I want to drop this hot potato. I yield back the balance of my time.

Mr. McCORMACK. Will the gentleman yield 5 minutes to the gentleman from Pennsylvania [Mr. RHODES]?

Mr. SMITH of Virginia. The gentleman from Pennsylvania has not asked me for time.

The SPEAKER. The gentleman from Virginia has only 2 minutes remaining.

Mr. SMITH of Virginia. I yield the gentleman from Pennsylvania those 2 minutes.

Mr. McCORMACK. If the gentleman will yield, apparently the statement of Postmaster General Summerfield is a hot potato, and he has made it more hot, because nobody knows what he means by it.

Mr. CANFIELD. The letter carriers seem to know what it means.

Mr. McCORMACK. Will the gentleman tell what it means?

Mr. CANFIELD. Yes.

Mr. RHODES of Pennsylvania. Mr. Speaker, I want to say in reply to the statement by the gentleman from New Jersey [Mr. CANFIELD] that I have made no definite statement or promise as to whether or not I would offer an amendment. I have not yet made up my mind as to whether or not I will do so, because I have not been quite satisfied in my own mind that the promise made for two-a-day deliveries is going to mean anything.

Mr. CANFIELD. May I say in answer to the gentleman from Pennsylvania that I was informed by one of the officers of the National Association of Letter Carriers, which has been behind the gentleman's proposed amendment, that the amendment would not be offered today.

Mr. RHODES of Pennsylvania. I have made no definite statement to anyone. I did make a statement with reservations. May I say also that the letter carriers may be behind this, but it was my proposal in the first place.

Mr. CHENOWETH. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. CANFIELD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5174) making appropriations for the Treasury and Post Office

Departments for the fiscal year ending June 30, 1954, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from New Jersey.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5174, with Mr. GRAHAM in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. CANFIELD. Mr. Chairman, I yield myself 35 minutes.

Mr. Chairman, I hope the committee will permit me to complete my remarks on the action taken by the Committee on Appropriations on this bill before asking questions.

Mr. Chairman, there is much talk in Washington these days about teams and team work, and properly so. I am very proud of the team which makes up the subcommittee on appropriations handling the Treasury Department and Post Office Department funds. In passing, I want to say a word about each member of that team. First, the gentleman from Virginia [Mr. GARY] who in the 81st and 82d Congresses was chairman of this committee. He is a team man, and he has been extremely helpful to me as captain of the team in this Congress. VAUGHAN GARY distinguished himself as a member of the Virginia Legislature before coming to the Congress and he is known throughout the Nation as one of our country's leading tax authorities, a very good man indeed to have on this particular subcommittee. Through his leadership of the committee, we made important field studies, particularly in Coast Guard operations not only in this country but abroad. Those fact-finding studies have been extremely helpful in our considerations and actions.

I want, too, to salute the gentleman from Louisiana [Mr. PASSMAN] who is a top notch business executive, known in this Congress as one of our leading conservationists. He, too, has been dedicated to teamwork on this committee.

Also, on the minority side is my friend and colleague from New Jersey [Mr. SIEMINSKI], another successful man of business who was first elected to the Congress in 1950, when he was serving in our Armed Forces on the heartbreak ridges of Korea.

On the majority side there is the gentleman from Indiana [Mr. WILSON], who yesteryear was a successful principal of a high school, a successful farmer back home; and currently, in addition to his service on this committee, is chairman of the committee in charge of funds for the District of Columbia.

Next comes the distinguished gentleman from Pennsylvania [Mr. JAMES]. Mr. JAMES, too, formerly served in the legislature of his home State of Pennsylvania. He, too, is a successful businessman, being chairman of the board of the Franklin Printing Co., of Philadelphia; he, in fact, being the successor to the immortal Ben himself.

Then there is the gentleman from Illinois [Mr. VURSELL], this year a new

member on our subcommittee, who in yesteryear was a successful insurance executive, a successful man in the newspaper field, once sheriff of his county, and now doing a real job in this Congress.

I want also in passing to say a word about the executive clerk of our committee, Mr. Robert E. Lambert, whom I have known on Capitol Hill for the last 29 years. He antedated me 4 years in his service on the Hill. He has served as secretary to Members of the Congress, as clerk to the legislative Committee on Post Office and Civil Service, and as clerk to the subcommittee of the Committee on Appropriations handling military funds. We are particularly fortunate in having him with us in this Congress.

Mr. Chairman, the bill before us calls for a reduction of \$53,433,000 in the original requests of the Treasury Department for \$665,328,000. All but \$2,550,000 was self-imposed.

Insofar as the Post Office Department is concerned, the cuts aggregate \$74,550,000 from the original requests of \$2,906,800,000. All but \$2,450,000 of the cut was self-imposed.

Before discussing the major cuts in Treasury, I wish to say that every member of the subcommittee was deeply impressed with the stature and presentations of Secretary Humphrey and his team, all dedicated to improving the economic health and strength of our country and promoting the security of a free world.

The only Bureau in the Treasury Department untouched by any cuts is the Bureau of Narcotics which with a comparatively small number of men is doing an heroic job to stamp out the sources of illicit narcotics and prevent addiction in the United States. Our committee has been shocked to learn of the narcotics disclosures in our Nation's Capital; and we want to see better teamwork between the Federal and local authorities with more cooperation on the part of the courts of the District of Columbia which according to testimony are not handing out sentences as in other jurisdictions. If the Federal Bureau of Narcotics needs more men here, our committee will be the first to recommend any necessary funds.

The Coast Guard cut aggregates \$34,350,000, \$11,750,000 of which is applied to operating expenses and \$22,500,000 to capital improvements.

Taking up the operating expenses cut, \$6,475,000 represents a general tightening of the nonpersonnel costs for such items as maintenance of vessels, structure and buoy maintenance, electronics maintenance, and aircraft maintenance. In these areas, the Coast Guard anticipates that the reductions will be balanced by new economies in operations which the cut should stimulate. The balance of reductions in operating expenses of \$5,275,000 will be applied against military personnel costs distributed about equally between the port security and the military readiness augmentation programs. The reduction in port security billets will be spread evenly so that no individual protective unit will be seriously affected. The Coast Guard

gives assurances that the cuts will not lessen the essential safeguards thrown around the loading of explosives or munitions in our ports, loading docks, or the patrolling of our major port areas against suspicious vessels intent on doing damage.

The same situation is present in connection with the military readiness augmentation program. Full military manning of vessels on a war basis would be both unrealistic and economically indefensible. All that is now contemplated is a small lessening of complements and the method of effecting the reduction in all military personnel will be simply to let the attrition rate exceed the recruitment rate during the fiscal year 1954.

The other cuts in Coast Guard include \$13,300,000 which is directed primarily toward the deferment of aircraft replacement, the Coast Guard holding that this will provide additional opportunity to review the matter for various types and models and to integrate more fully the replacement of Coast Guard planes with the procurement program of the military services. They insist that the deferment program will in no way endanger the lives of the pilots or crews.

The last item of \$3,797,000 is a deferment of the final phase of a program for the establishment of a winterized loran chain for the use of the Armed Forces, the costs for which is now being explored with the military.

The cut in the Bureau of Internal Revenue is \$6,500,000, and it should be emphasized that every cent requested for the investigation and audit of tax returns, assistance to taxpayers, and the necessary appellate service is being allowed. The reduction is attributable to changes initiated by Secretary Humphrey and Commissioner Andrews in operating methods which will have no substantial effect on the revenue. These changes are as follows:

Revision of procedures to eliminate unnecessary notices and reports and to avoid spending more in the collection of small deficiencies than is recovered from them.

Regulatory, control, and inspection work.

Avoidance of duplication of local liquor-law enforcement.

Processing returns, remittances, information documents, and claims:

(a) Effect a reduction in number of excise-tax returns to be received, assessed, processed, and filed by placing them on a quarterly rather than monthly basis.

(b) Revision of the methods employed in a comparison of information and other documents with tax returns, based on generally accepted practice of test checking and verification, which will not lessen the effectiveness of this phase of operations.

In commenting on these reductions, Commissioner Andrews said that a thorough analysis of all activities has demonstrated that the reductions listed above are the most which can be proposed at this time without materially affecting the amount of the revenue taken in. He

further added that we think what we have proposed up to this time is workable, and we are sufficiently sure of it that we are willing to tell you that we can absorb this cut without interfering with our enforcement work.

The adequacy of the amount being recommended appears to be well summed up by Secretary Humphrey in his letter of April 15, addressed to me as chairman of the Treasury-Post Office Subcommittee, a part of which has been reproduced in the hearings.

In this letter the Secretary stated, among other things:

The item in the bureau's budget where it can be strongly argued that increased expenditures will produce even greater increases in the amount of tax collections, is the item of investigation and audit of tax returns, and here our request is for the same amount provided in the Truman budget. We have not at this time requested an increase in this figure, for Commissioner Andrews has not yet concluded studies in which he is now engaged to determine whether this is the right amount, or whether the figure should be increased. When studies have established a reasonable estimate of the amount by which increased enforcement activities would pay adequate dividends in increased tax collections, we shall not hesitate to ask the Congress for a supplemental appropriation, if this is the indicated conclusion.

Commissioner Andrews testified that he was committed to the policy of reducing overhead costs and applying all such savings to the employment of revenue-producing agents just as fast as he could effect savings in overhead and assure himself that added agents could be profitably employed.

Addressing myself to the cut in Customs of \$1,500,000 from the requested amount of \$42 million, I desire to read a portion of a letter addressed to me by Secretary Humphrey under date of April 15, 1953, as follows:

Here, also, we are reviewing various aspects of the work, as for example, to determine whether the examination of a higher percentage of mail matter than at present would increase the revenues by more than the increased cost of such additional examinations: to determine whether the increased customs workload can be properly handled by the projected force; to appraise the savings which could be realized from the projected customs simplification act; and to decide whether an adequate job is being done in other respects, including the surveillance of Communist propaganda material entering the country. If it appears necessary as a result of these studies, we shall request a supplemental appropriation.

When I asked for the comment of Mr. David Strubinger, Acting Commissioner of Customs, he spoke as follows:

I think the Secretary's letter pretty well covers our thinking on the way we are going to go about trying to work within the appropriation that is now being recommended. We have under consideration various projects which will simplify, we believe, methods and procedures and will enable us to operate properly and efficiently within the amount that is given us.

I might say that the projects are all under test, that we are not sure yet we are going to meet these objectives, but I think we have a reasonable chance of doing so. We have anticipated, as a matter of fact, some of the changes involved that will be included in the Customs Simplification Act to the ex-

tent that we can within the framework of the law. One procedural change under consideration is the process of obtaining information from importers with respect to value.

At the present time and for the past 15 years it is and has been the practice to require an importer if he wants information with respect to the value, to file what we call a submission sheet in advance of the appraisal of the merchandise. We are going to discontinue this requirement and in lieu of handling this extra paper and to eliminate the contacts with the importers that are necessary back and forth during the period the appraisal is under consideration we are simply going to go ahead and make our finding and then advise the importer if there is any difference between the entered and appraised value. So that will eliminate, we believe, a tremendous quantity of paperwork within the appraisers' stores.

In addition, we have issued instructions to our border ports not to issue touring permits except where they have reason to believe that a person coming into this country is going to stay past the 6-month period. We believe that in so doing, we can speed up the flow of traffic along the Canadian and Mexican borders and it will make unnecessary the cutting out of line of cars where the inspector knows that the driver is going to make a trip into the interior somewhere but, unless questioning reveals that fact that he is going to be there for an extended period, we will not issue a touring permit. It takes 5 or 10 minutes to issue a touring permit for a car.

We intend also to lessen the degree of the examination of passengers' baggage at seaports and airports. At the present time we have practically a 100-percent examination of all baggage that comes in at seaports and airports. That is not true along the Canadian border. A great portion of the baggage carried in cars or on the person, belonging to people coming across the border, is not examined so that, in effect, what we are going to do is to apply about the same procedure to the airports and seaports.

We also are going to try a system of determining in advance whether or not we should weigh, gage, or measure certain types of merchandise. We believe in this area there is greater room for the acceptance of the invoice or commercial weights.

Mr. LONG. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. LONG. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Evidently a quorum is not present. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 38]

Albert	Cole, Mo.	Knox
Angell	Colmer	Krueger
Barrett	Condon	Lyle
Belcher	Coudert	McConnell
Betts	Dawson, Ill.	McGregor
Boland	Deane	McMillan
Bolling	Dempsey	McVey
Boykin	D'Ewart	Mason
Bray	Dingell	Merrill
Brooks, Tex.	Dolliver	Miller, N. Y.
Brown, Ohio	Dondero	Morrison
Brownson	Elliott	Moulder
Buckley	Fenton	Mumma
Burdick	Gamble	Neal
Bush	Hart	Pilcher
Carlyle	Harvey	Poulson
Carnahan	Hays, Ohio	Powell
Cederberg	Heller	Prouty
Celler	Hull	Rabaut
Chudoff	Jenkins	Rayburn

Reams
 Reece, Tenn.
 Riehlman
 Roberts
 Scott

Scudder
 Secrest
 Shafer
 Short
 Sutton

Taylor
 Wheeler
 Williams, Miss.
 Young

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GRAHAM, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5174) and finding itself without a quorum he had directed the roll to be called when 352 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. CANFIELD. Mr. Chairman, I suppose right now I should thank the gentleman from Louisiana [Mr. Long]. I understand that the motive behind his point of order was that he thought I was making a good speech and that more of my colleagues should hear it.

I am personally mindful of the ever-increasing demands being made on customs and I am urging the department to expedite its survey of the whole customs picture. Obviously our committee desires to promote the proper collection of revenue and do everything possible to prevent smuggling of narcotics, jewelry, and gold. I propose a series of conference with the Treasury Department and possibly some inspections on the part of our committee.

The American people are to get better mail service, at less cost. That is why it is a real pleasure to inform the House that your subcommittee of the Post Office Committee on Appropriations has unanimously approved the statement made by the Postmaster General when presenting the Post Office Department's budget for the fiscal year 1954.

That is why I am also pleased to report that all members of our committee believe that the Postmaster General's report outlines the most challenging, progressive, and far-reaching program for improvement of the Post Office Department operations ever to come to our attention.

Let me briefly highlight the salient points of this new, intelligent approach which the present management of the Post Office Department is using to make the Postal Establishment as nearly financially self-supporting as practicable, while at the same time improving the postal service.

Being tough-minded realists, Mr. Summerfield and his able associates realize full well they have set themselves no easy task as they proceed to reduce the postal deficit and simultaneously improve the mail service. Historically, in the 115 years for which figures are available, the Post Office has reported a surplus only 18 times, and half of these profitable years were in times of war when much of the cost of transportation and distribution were absorbed by the military.

Few people realize that the business of the Post Office Department is increasing at a phenomenal rate—increasing even faster than our remarkable growth in population.

In 1940 the Postal Establishment handled 210 pieces of mail for every man, woman, and child in the United States. In 1954 it is estimated this figure will have jumped to 329 pieces of mail per capita per year, representing a 94-percent increase in total volume and a 51-percent increase in the use of the mail per person in 15 years. Our Postal Establishment, incidentally, now handles more than 50 billion pieces of mail annually, more mail than all the rest of the world combined.

While deploring the \$596.7 millions deficit estimated for the Post Office Department in the fiscal year 1954, the Postmaster General properly noted, in his statement to our committee, that this deficit represents a reduction of \$150 millions, or 20 percent, from the original estimate prepared by Postmaster General Summerfield's predecessors.

The \$150-million slash in the current 1954 budget is by far the largest in the history of the Post Office Department. It is three times the estimated reduction in fiscal year 1953, and five times greater than the 1952 reduction. The estimated deficit for 1953 is \$642 millions—as shown in the budget document—and the deficit for 1952, you will recall, was \$727 millions, an all-time record deficit.

As regards this estimated deficit for 1954, may I emphasize that the present management of the Post Office is forced to work largely within the straitjacket of the budget prepared by its predecessor and is unable, at this late date, to correct many inherent weaknesses in this budget.

As we all know, too, any reforms within the postal establishment can be made only with the help and support of the Congress and the public, since the Post Office Department itself has little or no control over such vital matters as rates, salaries, free services performed for other agencies, and subsidies.

Our committee was most favorably impressed with the abilities and the clearly defined responsibilities of the new management team recruited by the Postmaster General. The men he has chosen for the top positions are tested executives fully qualified to carry out a program for improving the organization, operation, and morale of the postal establishment. They are men who believe Government service to be a privilege; men willing to make the necessary sacrifices to meet this challenge; men whose efforts merit the support of Congress. They will, we are certain, give the post office the dynamic, determined leadership it needs.

The program now under way in the Post Office Department is concerned first with organization changes at headquarters which will simplify and tighten the top structure by eliminating duplication, overlapping, and excessive layers of supervision. No longer will a defeatist attitude, a resignation to ineffective management and mounting deficits, permeate the Post Office Department. Instead, there will be a new point of view—one that recognizes the Department's shortcomings and attacks them with common-

sense and vigor. The Post Office Department is now undergoing a revitalizing experience—a stimulation of the birth of new ideas.

A study is in progress to determine the most effective way to delegate more authority and responsibility to the field and to overcome bottlenecks in headquarters in Washington.

Hand in hand with this delegation of authority to the field will go a widespread program of consolidation of outmoded post offices and routes, resulting in more efficient operation and better service to postal patrons at less cost.

On March 23, 1953, the Postmaster General announced the first step in a plan that, it is hoped, will be extended nationally to give the less populated areas of the United States far better service at reduced cost to the taxpayer.

The plan involved the discontinuance of 19 inadequate and outmoded fourth-class post offices in Wilkes County, N. C., and the simultaneous establishment and rearrangement of rural routes and star routes. Despite the fact that the plan will result in considerable savings to the taxpayer, many citizens are receiving better service because of it.

I wish the gentleman from North Carolina [Mr. DEANE] were here today to explain just what this change has done in his county, Wilkes County, N. C. Those, however, who may be interested in examining his position at some length can turn to the hearings. You will note that he appeared before us and made a statement on what this has done for his district, contending that the Wilkes County plan should be carried out throughout the United States.

Another example of the progress the present administration of the Post Office Department is making through intelligent planning can be seen right here in Washington. On April 27, improvements in the collection of mail, and the institution of longer hours of post-office window service were announced. This was undertaken as a pilot study, through which information could be gathered that would prove useful in improving the service nationally. Collections throughout Washington have been extended 2½ hours with a final collection at 11 p. m. Subsequent tests since April 27 have shown that an average of 60,000 letters a day are now picked up which otherwise would have remained idle in mail boxes. It is estimated that three-fourths of these 60,000 letters now arrive 24 hours earlier at their destination than they would have under the old schedule.

A most significant program is under way in New York City which will produce valuable experience that will be applied elsewhere in the country.

The post office of New York City is not only the largest in the world, but the enormous amount of mail emanating from Manhattan to the rest of the country makes the New York Post Office a vital cog in the industrial world. When mail is delayed in New York City its effects are felt throughout the Nation.

When Postmaster General Summerfield and his team took office, it was discovered that service in New York was

far below acceptable standards. So, on April 1, a team of 20 inspectors was moved into the New York post office to make a thorough management study for the new Postmaster.

The results, in just 6 weeks' time, have been most encouraging. Many newspapers, magazines, large users, and individual citizens have commented on the fact that the service has been noticeably improved. With the permission of the House, Mr. Chairman, I would like to read a few examples of this editorial response for the record.

Another important and promising program outlined by the Postmaster General includes development of modern personnel policies and practices, hitherto largely neglected by the Department.

Seventy-two percent of our expenditures are for wages and salaries—

Mr. Summerfield told us. Continuing, he noted:

Any program for major improvement in the Postal Establishment must include, near the top, a systematic plan for strengthening the morale and improving the efficiency of personnel.

He recommended creation of a Bureau of Personnel whose objective will be to develop a major constructive personnel program for the post offices' 525,000 employees.

The new Postmaster General and his top associates paid high tribute to the dedicated men and women in the Postal Establishment and their loyalty to its finest traditions. They stated, too, they have received, during these early days in office, the wholehearted cooperation of the leaders of the great employee organizations.

The committee also unanimously endorses the request of the Postmaster General for changes in the appropriation language, which will give Mr. Summerfield the necessary management flexibility that he must have to reorganize the post offices' operations.

As regards rates, the Postmaster General has indicated that equitable and realistic adjustments in rates are necessary if the postal deficit is to be materially reduced.

As far as the establishment of rates is concerned, I am personally willing to delegate this authority to the Postmaster General—Congress to have a veto—Certainly rates must be revised if the postal deficit is to be lowered.

As many of you will recall I disagreed with the previous Postmaster General when he curtailed service to one-a-day delivery in residential neighborhoods. I am gratified to know this matter is now under careful review by the new management of the post office and that in some localities where conditions warrant, additional deliveries will probably be made.

Your committee, irrespective of political affiliations, has been most critical of previous postal administrations for overlooking the possibilities of improving the mail service through mechanization and modernization of post office equipment. We are pleased that these important areas for improvement are now being carefully reviewed by the Post Office Department's top management.

Mr. Summerfield and his top associates tell us it is imperative that a better working relationship be established between Congress and the Post Office Department. They intend to make that relationship highly effective and cooperative.

Mr. Summerfield, Mr. Hook, the Deputy Postmaster General, and the other top men of the new management team also tell us they have no intention of abdicating their responsibility. In fact, they state they would welcome more responsibility, and I, for one, believe they will use that responsibility wisely and that Congress should give it to them.

Mr. Chairman, I have briefly summarized the main features of the Post Office Department's program—a program, which your committee believes will give the American people the kind of postal service they have the right to expect and reduce the overall postal deficit substantially through economies and modern management techniques.

Our committee believes all Members of Congress will agree that the Post Office Department should not continue, as an expensive service operation, subsidized by taxes levied on our people.

Instead the Post Office Department should be developed effectively, into a business-and-service operation that will be eventually as nearly financially self-sustaining as practicable. This is the mission and the basis for the program of our new vital and vigorous Post Office management.

The Post Office Establishment has demonstrated its willingness to do its part in accomplishing this mission but to reach the objective they must have the understanding and cooperation of this great body.

They cannot do it alone.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield.

Mr. BROOKS of Louisiana. I was unwilling to interrupt the gentleman during the course of his excellent presentation of the bill.

Mr. CANFIELD. I have concluded my statement and am glad to yield to the gentleman now.

Mr. BROOKS of Louisiana. I have received a number of communications with reference to these two mail deliveries a day in the residential areas. The gentleman touched on that. I am wondering if the gentleman would elaborate a little, if he cares to, in such a way as we could give that as a reply to the inquiries we have been receiving.

Mr. CANFIELD. May I suggest to the gentleman from Louisiana that he examine the colloquy between the gentleman from Massachusetts [Mr. McCORMACK] and myself earlier in the day. At that time there was read a statement by the Postmaster General, which yesterday afternoon was read by his deputy, Mr. Abrams, in charge of postal operations, before a large group of letter carriers, and approved by them. It explains why there was no provision in this bill for the return of this service at a cost of \$80 million a year, but at the same time it emphasizes that the management of the department has an open

mind on the eventual restoration of that service. The whole matter is under intensive study.

Mr. BROOKS of Louisiana. I thank the gentleman very much. I know that the gentleman would be glad to give us full information on this matter.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from Arkansas.

Mr. HARRIS. Did I understand the gentleman to say that the national organization of letter carriers approved the statement and procedure as outlined by the Deputy Postmaster General?

Mr. CANFIELD. It is my understanding that the national president of that association called the statement a forthright, frank statement, and asked the men in his organization to approve it.

Mr. HARRIS. And as representing the national organization, that they would support that proposal and would not approve an increase in funds in the appropriation bill, under an amendment, to restore the service at this time?

Mr. CANFIELD. May I say to the gentleman it is also my understanding that the leadership of that organization, which as you know has been very strong for the return of this service, has requested that the projected amendment be withdrawn.

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from North Carolina.

Mr. BARDEN. I would like to say to the gentleman that I liked his talk about saving some money and improving the service, but there is one matter the gentleman overlooked, that is claiming a great deal of my attention now in the way of answering mail, and that is Public Law 669, that was passed under the able leadership of the distinguished gentleman from Kansas [Mr. REES]. At that time, and for some years previously, the star-route carriers had been bidding on the routes. They would open the bids 1 year and A would get it. The next year B would bid under A and he would get it. And about the third or fourth time C or D would get it and go broke, and the bonding company would get it. Then, of course, the Congressman would get it in the neck, because we all inevitably become involved in that.

The whole Congress realized that that was a bad system. The Post Office Department realized it was a bad system and was not conducive to good service, so Public Law 669 was brought on the floor by the gentleman from Kansas [Mr. REES]. There were some 7 or 8 pages of debate and it passed this House unanimously, and not one single person raised objection to that bill.

The other day I was astounded to receive a letter from the executive assistant or administrator, a man by the name of Guill. He announces that he is going to sample 8 percent of the people who hold those contracts to see what it proves, to see what it shows and discloses. It will not prove a thing in the world except the long period of time we tried this method and found that it was no improvement.

Those men in the New England States have made investments in trucks, equipment, and so forth. What kind of security do they have if he is going to start an 8 percent testing?

Let me say that in Public Law 669—and I think the gentleman from Kansas [Mr. REES], will back me up in this—it was the intent of Congress—and I think the language of the bill backs me up—it gives to the Postmaster General the power and the authority to put good business methods into the handling of these star-route contracts. He has ample authority at this time, and I am in favor of his having the authority, to handle those contracts. Now, why does he want to stir up all this trouble again?

Mr. CANFIELD. Will the gentleman permit me to answer his question?

Mr. BARDEN. Yes.

Mr. CANFIELD. I, too, have received those complaints and I think they are 3 or 4 in nature. One of them is as the gentleman has stressed, complaints that the Postmaster General is disregarding the intent of Congress as expressed in Public Law 669, which was approved June 19, 1948. To me the wording of this law is abundantly clear. With respect to the renewal of contracts the law states:

The Postmaster General may in his discretion and in the interest of the postal service renew such contracts.

The law also states:

Any such contract may be terminated at the end of any 4-year term at the option of the Postmaster General.

The overriding consideration obviously, is not the renewal of the star-route contract but is contingent upon such action being in the interest of the postal service.

The present program of the Department is designed purely and simply to provide an intelligent basis on which to base a finding as to whether or not such renewal would be in the best interest of the service; and in going over those contracts that have been let for a period of years they find that some have increased to the extent of 300 or 400 percent, one 1,800 percent. That is why it is necessary for them to provide this review.

Second, the complaint is made that it was necessary to advertise selective routes in order to determine whether or not renewal of the contracts is justified. Basically, star-route service is a contractual service; the normal way of awarding Government contracts is through competitive bidding; therefore, the most logical way of conducting an investigation relative to such contracts is to subject them to competitive bidding in order to see what the service is considered to be worth today over a sampling of the routes.

It must be remembered that it has been 8 years since bids have been solicited on most of these routes. During that period the cost of the service has almost doubled. Many of the routes bear little or no similarity to the service they ought to perform.

Certainly it is necessary that the present administration look into the increase in cost and determine whether or not it is justified.

It has been stated repeatedly that contractors have nothing to fear if their service has been satisfactory and the current contract rate is fair and reasonable to all concerned. That is the position of the Department and I think our committee believes it is sound.

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield.

Mr. BARDEN. Just a minute. That is your contract theory, but in the absence of specific instructions from this House and a clear intent as to what the Congress intended and what it wanted done the fact that the gentleman recited one contract that increased 1,800 percent in cost does not prove anything, for there could be 1,800 times as much mail, or 1,800 times as much distance, or 1,800 times as much expense involved. But regardless of what that is, I heard the gentleman say a few minutes ago and I concurred with him in it, that he believed in putting responsibility onto the Postmaster General and giving him discretionary authority to deal with Post Office matters and put business management in control. Is that not approximately what the gentleman said?

Mr. CANFIELD. That is true.

Mr. BARDEN. The Congress passed 669 and specifically gave him that authority. Now, why does he not exercise it and why is it that the gentleman wants to make an exception to that rule? This is a strange argument for me in the minority party to make, but I am constrained to believe it is good sense. It has worked satisfactorily. It was put in by a Republican House in the 80th Congress. I was for it then and I am for it now. I cannot understand why they want to dig in and take 8 percent now and stir up a situation that has been working. If it is not working, if there are bad contracts, if there is graft or collusion, the Postmaster General has and should have the authority to deal with it immediately and effectively.

Mr. CANFIELD. I have talked to star-route carriers in New Jersey and I have explained to them thoroughly and clearly the Department's position in this matter. They seem satisfied. I do not think the law is being distorted in any respect.

Mr. BARDEN. I am not disturbed too much about the star-route carriers. I have wrestled with this thing for 10 or 15 years in this House. I do not think the membership of the House should be subjected to that kind of thing again.

Mr. VURSELL. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from Illinois.

Mr. VURSELL. I would like to refer to the question raised by the gentleman from North Carolina and say that I took this matter up with an administrative assistant in this Department to see what the exception was, what they had in mind. I also took it up because I was called upon by the head of the organization in Illinois, a man in whom I have a lot of confidence. I arranged for him to go down there. Mr. Allen was glad to have him come down so he could talk with him about it. Mr. Allen told me he intended to protect and to carry out the will of the Congress in every instance

where the weight of the evidence showed the star-route carrier holding the contract for the route was doing a good job or where it was shown that he was not getting more than a reasonable or fair deal with the Government.

The CHAIRMAN. The time of the gentleman from New Jersey has again expired.

Mr. CANFIELD. Mr. Chairman, I yield myself 5 additional minutes.

Mr. VURSELL. In talking with Mr. Allen, I am confident that he has no idea of doing violence to the intent of Congress but that he is going to use the discretionary power vested in him. I know that he is only making a sort of a spot check on those who will come around to contract dates earlier, that it is not general.

Mr. BARDEN. That is the best news I have received so far. But let me ask the gentleman, Why should we go back and employ a system that over a long period of years has proven to be no good and which this Congress definitely stated was not good and we did not want it? If he wants to find if a route is costing too much, they have years and millions of miles of figures to go by to determine the cost of the operation of a vehicle, for instance, they have their standards of civil service pay to determine the amount of salary the man should receive, they can determine every single item of cost involved; then let them arrive at it in that manner. If it is too much, let him say: All right, I have the discretionary power, we are going to put it into effect and if the man does not like it he can get out. But to start a row with 435 Members of Congress over a system which we thought we had buried, I am not looking forward to with much pleasure.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from New York.

Mr. JAVITS. I would like to get away from the country a minute and get back to the city and to this two-a-day mail delivery proposition. It is a fact that what the gentleman has said, what the Postmaster General and his assistants have said, and what the Postal Carriers Union has said, will undoubtedly deter Members from offering this amendment which was contemplated to put money in the bill in order to make two-a-day mail delivery in the cities. Therefore, I think in all fairness it ought to be clearly understood that nobody is waiving any rights. All we are doing is to give the Postmaster General an opportunity to work it out himself, and that opportunity we think he is entitled to because of the short time he has been in office, but if we do not think he has worked it out for the benefit of the city people, none of us have given up the right to seek more money for that purpose.

Mr. CANFIELD. That is true, but I cannot see why anybody should now project an amendment under the circumstances.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from California.

Mr. HOSMER. My question is directed to the portion of the bill appropriating \$2,790,000 to the Bureau of Narcotics. I would like to know if the committee is wholly satisfied that that is an adequate amount to meet the ever-increasing narcotics menace we have in this country.

Mr. CANFIELD. I am sure the gentleman recalls that in my original presentation I pointed out in the so-called Eisenhower-Dodge revision of the so-called Truman budget, the Bureau of Narcotics is the only Bureau untouched. Not a cent was taken from its original request, and currently Dr. Harry J. Anslinger, head of that Bureau, and undoubtedly the world's greatest authority on the subject of narcotics, is not asking for additional manpower. We gave him additional manpower in the last Congress. What he is asking for is more cooperation from the States and the cities and towns of America, and above all, more cooperation from the courts of the land, particularly the courts of the District of Columbia. That is what he is asking for.

Mr. HOSMER. Is the committee well satisfied with the judgment of the Commissioner in not asking for increased personnel?

Mr. CANFIELD. We have the greatest faith in the Commissioner, and we know the Commissioner well enough to believe that if he needed more funds or more manpower, he would not hesitate to ask for more.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. Directing attention to the question of two mail deliveries within the city, on page 23 of the report it says:

Necessary extensions of service and new city delivery routes will require some 3,237 additional average positions.

Do you contemplate that within the purview of the understanding made by the representative of the Postmaster General and the members of the Postal Workers Union that this is part of the additional employees that could come in to carry out that service, and that you have provided sufficient moneys to carry out that plan in the event he adopts it?

Mr. CANFIELD. No. If the plan were to be carried out in toto it would require the addition of \$80 million in this budget. However, if there is some partial restoration in certain urban areas there may be funds in this bill, because there is \$79 million of additional funds here for postal operations over and above the amount allowed for the current year.

Mr. ROGERS of Colorado. Then I have the assurance of the gentleman that in the event the Postmaster General should determine on this program, that there are sufficient funds even in that \$79 million to carry out the program?

Mr. CANFIELD. No. You see, \$80 million of increased funds are necessary to carry out the two-a-day restoration taken away by the order of Mr. Donaldson in June, 1950.

Mr. ROGERS of Colorado. If that is true, let me direct this question: In the

event the present Postmaster General decides that this service is proper and that the public needs it, will it be necessary for him to come back here and thus make a new appropriation?

Mr. CANFIELD. Yes, indeed.

Mr. ROGERS of Colorado. And we would have to wait until that appropriation was made?

Mr. CANFIELD. Yes, indeed. I am sure the gentleman heard me say earlier in the day that the new Deputy Postmaster General in charge of postal operations has been in office just 3 weeks.

Mr. ROGERS of Colorado. Yes. Then I understand it will be necessary to come back and get it?

Mr. CANFIELD. That is true, if the department finds its studies warrant it.

Mr. GARY. Mr. Chairman, I yield 15 minutes to the gentleman from Louisiana [Mr. PASSMAN].

Mr. PASSMAN. Mr. Chairman, and members of the committee, I wish to say at the outset that I have a very high regard for my chairman, the gentleman from New Jersey [Mr. CANFIELD], and I want to commend him for the very fair, impartial, and efficient manner in which he conducted the hearings on the bill before you. My regard is equally as high for my former chairman, the very able gentleman from Virginia [Mr. GARY], and the same feeling prevails toward the other members of the committee and our very able clerk, Mr. Bob Lambert.

Mr. Chairman, in my opinion, there has never been an appropriation bill reported to the floor of the House that had any closer scrutiny or any more comprehensive and extensive hearings than the one before you.

In the bill before you the Congress is being asked to appropriate \$2,832,250,000 to operate the Post Office Department for the fiscal year 1954. It will cost almost as much to operate the Post Office Department in the fiscal year 1954 as it cost to operate the entire Federal Government in 1927. In fact, it cost only \$2,974,000,000 to operate all branches of the Federal Government in 1927.

The annual operating deficit of the Post Office Department is almost as great as the cost of operating the entire Federal Government in 1916. In fact, it cost \$734 million to operate all branches of the Federal Government in 1916. In 1952, the operating deficit in the Post Office Department amounted to \$727 million. In 1953, the net operating deficit amounted to \$642 million. The estimated deficit for fiscal year 1954 is \$596 million.

Mr. Chairman, and members of the committee, in my opinion the time has come for the Congress to give serious consideration to the advisability of putting the Post Office Department on a financially self-supporting basis. The very large subsidies to many classes of mail are primarily responsible for the tremendous annual deficit in the operation of the postal establishment.

In 1940, the postal establishment handled 27,700,000,000 pieces of mail, or an average of 210 pieces of mail for every man, woman, and child in the United States. In 1954, it is estimated that the postal establishment will handle approximately 58 billion pieces of

mail, or an average of 329 pieces of mail for every man, woman, and child in the United States. This large increase in such a short period of time represents a 94-percent increase in total volume of mail handled and only a 51-percent increase in use of the mails per capita handled.

I would like to point out to the committee that the cost of handling the mails since 1945 has increased by \$1,443,000,000. However, the revenue increase has amounted to only \$390 million. In other words, the cost of handling the mail since 1945 has exceeded the increase in revenue by \$1,053,000,000. Therefore, I hope that the Congress in its wisdom will take cognizance of this situation and remedy the condition by giving the Postmaster General authority to set postal rates or pass legislation authorizing increased postal rates.

Personally, I would support legislation giving the Postmaster General the authority to set postal rates, because certainly he possesses more knowledge of the problem than most Members of Congress, who have a multitude of other matters to consider. In many foreign countries the postmaster general is given the authority to set postal rates. If the Congress would extend that authority to our own Postmaster General, it could do so with veto power or maybe for a 2-year trial run.

I should like to point out to the committee where the greatest annual losses to the Post Office Department are occurring:

First. Fourth-class mail, which is, in the main, parcel post. In 1952, it cost the Post Office Department \$638,264,000 to handle fourth-class mail. Revenues from fourth-class mail amounted to only \$484,529,000. This left a net operating deficit of \$153,735,000.

Second. In 1952, on third-class mail, which consists primarily of circulars, it cost the Post Office Department \$362,439,000 to handle this class of mail. The revenue on third-class mail brought in only \$170,526,000 leaving a net operating loss of \$191,913,000.

Third. Now, here is one class of mail that is really alarming and that is second-class mail. This class covers, newspapers, magazines, and periodicals. In 1952, it cost the Post Office Department \$291,758,000 to handle second-class mail. The revenue from second-class mail brought in only \$51,371,000, leaving a net operating loss in 1952 on second-class mail in the amount of \$240,386,000.

Fourth. In 1952, there was an operating deficit of \$32 million for domestic air mail; \$21 million in foreign air mail; and \$20 million in foreign-service mail.

Fifth. There are large deficits in special services such as registered mail, insured mail, collection-on-delivery mail, special-delivery mail, and money orders.

In 1952, the only two services of the Post Office Department to earn a net profit were first-class mail and postal savings. The revenue from first-class mail amounted to \$842,695,000. The cost of handling first-class mail in 1952 amounted to only \$790,287,000, giving the Department a net profit of \$52,407,000 on first-class mail, and \$6,717,000 on postal savings.

I can see no reason for the Federal Government to continue subsidizing tens of thousands of businesses which operate solely to earn a profit and who use the United States mails to enhance their profits.

I contend that newspaper publishers and magazine publishers are in business for the very same reason that I am in business and that is to make a profit on their investment. On that basis, why should not the Government remove this subsidy and permit them to operate their businesses like other business establishments which are not directly subsidized.

May we consider parcel post for a minute? A few years ago the Congress authorized certain adjustments in rates, weights, and size of packages, but even with the adjusted rate the Post Office Department is still losing \$153 million annually on this class of mail and certainly the record is clear that the postal establishment is still having to compete with our great free competitive enterprise system. I do not believe that it was the intent of the Congress to pass legislation that would force the Post Office Department to compete with rail, freight, and express companies. Some of our friends believe that to adjust postal rates on second-class mail which, I repeat, covers newspapers, magazines, and periodicals, would put these operations out of business. Such would not be the case and the record is clear.

Let me cite an example of just how little annual postage it is costing the weekly newspapers in my district to use the postal service and just how little it would affect them financially to put this class of mail on a financially self-supporting basis. Of course, this same condition prevails in all congressional districts. Mr. Chairman, the figures that I shall cite cover the entire annual postage paid by these newspaper publishers for the calendar year 1950:

Newspaper No. 1.....	\$11.84
Newspaper No. 2.....	14.78
Newspaper No. 3.....	27.71
Newspaper No. 4.....	35.37
Newspaper No. 5.....	39.85
Newspaper No. 6.....	48.72
Newspaper No. 7.....	60.90
Newspaper No. 8.....	70.51
Newspaper No. 9.....	70.65
Newspaper No. 10.....	71.53
Newspaper No. 11.....	73.01
Newspaper No. 12.....	74.62
Newspaper No. 13.....	79.05
Newspaper No. 14.....	82.62
Newspaper No. 15.....	117.25
Newspaper No. 16.....	177.82
Newspaper No. 17.....	179.13
Newspaper No. 18.....	239.30
Newspaper No. 19.....	244.16

I have a very high regard for all the editors, publishers, and personnel of the papers in my congressional district to which I have referred, but I sincerely believe that if these publishers would study the fact and figures of the Postal Establishment they, of their own accord, would endorse and recommend a program to remove these unnecessary and outmoded subsidies, because in the long run it would mean dollars in their own pockets. It may be considered politically dangerous to point out how little annual postage the newspaper publishers pay for their mailings, however, the

newspapers, with few exceptions, have been clamoring loudly for economy in Government and the elimination of unwarranted and unneeded subsidies. On that basis I shall take my stand and let the chips fall where they may. My position on postal subsidies may hasten my involuntary retirement from the Congress but I have never been afraid to speak and act for what I thought was right. So far as my own personal views are concerned I am in favor of eliminating all subsidies and giving the Postmaster General the right to set postal rates either on a permanent, temporary, or veto basis.

If the Congress in its wisdom would pass legislation putting the Post Office Department in a financially self-supporting basis, I believe that each Member of Congress participating in this needed revision would later be highly commended by his constituents.

There has been a lot said about the restoration of two mail deliveries daily to residential sections. On that subject I should like to associate my views with those of the gentleman from Virginia [Mr. GARY]. In my congressional district there are some 119 post offices. It has been over 2 years since I have received a complaint due to the limitation of residential deliveries to 1 a day. At the time I was receiving complaints, it was rather amusing to observe that many of the letters of protest came from citizens of towns that had no residential mail delivery at all. This is a clear indication that those letters of protest were inspired. To return to 2 mail deliveries daily in residential sections would cost the taxpayers \$80 million annually and even with the service reinstated only 32 percent of the population would receive 2 mail deliveries a day.

We all understand that most people work for a living and a great majority of those receiving residential deliveries go to work in the morning and do not return home until in the afternoon. So it matters not to them whether they receive their mail in the morning or in the afternoon. I shall never support a resolution or amendment that would reimpose this luxury.

Mr. Chairman, according to the most recent estimate the population of the United States for the next fiscal year will reach 162,993,000 and on the basis of that population figure it will cost, if the present appropriation request is granted, every man, woman, and child, down to the 1-day-old baby, \$17.39 for the postal service they will receive during fiscal 1954. If the rank and file knew it would cost them \$17.39 per person for the mail service they will receive in fiscal 1954, I believe they would demand in large numbers that the Congress remove the many unneeded and outmoded subsidies and place the Post Office Department on a financially self-supporting basis. In my opinion this should be done in the quickest possible time.

I do not believe it possible for any business enterprise or any branch of the Government to accumulate a more efficient staff of businessmen and experts than are now handling the postal establishment. The new Postmaster Gen-

eral, Arthur Summerfield, and his entire staff amazed your committee with the knowledge they had acquired of the postal operations in such a short period. Most of the members of the postal staff are outstanding business executives and experts who are making a great financial sacrifice to serve our Government. They are fair, experienced, and determined to overhaul the postal operation from top to bottom and with the cooperation of the Congress put the Post Office Department on a business basis. They need the support and encouragement of the Congress to do the job well and to accomplish their objective. I shall extend to them my full support. If given the opportunity I will support legislation giving the Postmaster General the authority to set postal rates, believing as I do that in the end my small part in helping to accomplish this much-needed reform would win me new friends and the approval of a great majority of my constituents.

Mr. GARY. Mr. Chairman, I yield 6 minutes to the gentleman from New York [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Chairman, at the proper time I intend to propose an amendment to this appropriation bill which would permit the President of the United States to veto any single section or item of the bill without the necessity of vetoing the entire bill.

We have heard a great deal about economy in Government. Most of the Members on both sides of the aisle have expressed themselves in favor of governmental economy at one time or another. I am absolutely certain, however, that despite the able analysis of my distinguished colleagues on the committee, each and every appropriation bill which comes to the House for consideration leaves plenty of room for even greater economy.

One of the most wasteful practices in the appropriation process is the insertion in appropriation bills of individual items that cannot be justified as legitimately serving the national and the public interest. Sometimes this is done by legislative riders, sometimes as the result of the most objectionable forms of logrolling. No matter how it is done, it serves to squander priceless resources, increases the tax burden, and gives people the unjustifiable impression that Members of Congress are more interested in dipping their hands into the pork barrel for local projects, and for items of special and limited interest, than they are in serving the national interest as a whole.

The major reason for the enactment of these unnecessary items and the reason these items, while perhaps individually small, total such large sums of money is that the President is unable to veto individual items in an appropriation bill. He is faced with the choice of either doing nothing about individual items such as these or vetoing a total measure, thus holding up operations for many other projects and activities that are vitally necessary. He is invariably forced therefore to do nothing.

A number of years ago, the then senior Senator from Michigan, Mr. Vanden-

berg, proposed that this problem be handled by giving item veto powers to the President. The Senator from Michigan stated:

Now that we suddenly confront fabulous appropriation totals, it seems more than ever necessary that the Presidential veto should be afforded some degree of that same discretion and selectivity with respect to the component parts of an appropriation bill which the Congress itself enjoys when it formulates and passes these bills. * * * The governors of at least 40 out of 48 States have the privilege of the item veto, and I have yet to hear of a single instance in which its use has been contrary to the public interest. * * * I know of no reason why the President of the United States should not have similar opportunity to deal effectively with Federal appropriation bills. * * * Furthermore, an economy-minded President may easily be quite helpless in dealing with appropriations if he is confined to a blanket "yes" or "no" to the lump-sum appropriation totals in the gigantic annual supply bills which now confront the country, and if he is forbidden to send back specific items for congressional review.

When the late Senator from Michigan first proposed an item veto, he suggested that it be done through constitutional amendment.

President Roosevelt, however, pointed out that the same objective could be obtained by the insertion of a properly worded clause in every appropriation bill.

The late respected Senator from Michigan accepted President Roosevelt's recommendation and suggested the insertion of appropriate language in appropriation bills. However, nothing was done to carry out this proposal.

When I was first elected to Congress, I introduced a bill which, among other things, would have required that every appropriation bill reported to the floor of the House or the Senate contain the language necessary to give the President the item veto power. That same bill has now been pending before three successive Congresses. In the 83d Congress, proposals to grant the President this same item veto power have been introduced by 6 other Members of this body and by 4 Members of the Senate. I am pleased that a Subcommittee of the House Judiciary Committee has already held hearings on some of these proposals, but despite the great speeches for economy which we have heard in Congress for many years, no definitive action has yet been taken.

Until legislation is enacted which would make it unnecessary to insert item veto authority in every appropriation bill, I hereby serve notice that starting with the appropriation bill we are to consider this afternoon I shall propose item veto authority for each and every appropriation bill before the Congress at the time it is considered. Perhaps I will be ruled out of order, perhaps my amendment will be defeated, but each and every Member of this body will have an opportunity to record himself on the question of economy. Each and every Member of this body will have an opportunity to make known his position on the important question of the item veto. Each and every Member of this

body will thereby have an opportunity to inform his constituents whether he is in favor of continuing the obnoxious forms of logrolling and pork barrel legislation, or whether he is willing to permit the President—subject to being overridden by the Congress—to strike from an appropriation bill the wasteful, the extravagant, the unnecessary individual items which add so much to the Nation's tax burden.

Mr. CANFIELD. Mr. Chairman, I yield 1 minute to the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

Mr. H. CARL ANDERSEN. Mr. Chairman, if the proposal just given by the gentleman from New York [Mr. ROOSEVELT] were ever put into effect, it would simply mean the abolishment of the Committee on Appropriations. The President might as well take over the power of appropriations; he would approve those items in which we happen to agree with him, and then he could veto any items he does not approve of. This system would make the Congress subservient to the Executive. I think the whole idea is ridiculous and dangerous.

Mr. GARY. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. RHODES].

Mr. RHODES of Pennsylvania. Mr. Chairman, I am considering the introduction of an amendment to this appropriation bill to restore two mail deliveries in the residential areas in the amount of \$39,848,930. I appreciate the fact that this amount is far below what Postmaster General Summerfield stated would be necessary. Postmaster General Summerfield declared that it would take \$80 million to restore service. The former Postmaster General had varying estimates ranging from \$20 million to \$150 million. Evidently the figures varied to suit his purpose. I believe I can support my estimate with more sound reasoning than was offered by either Mr. Summerfield or Mr. Donaldson. In a recent statement, Postmaster General Summerfield admitted the difficulty in arriving at an accurate estimate of Post Office costs because of an outmoded accounting system. So I am not sure if Mr. Summerfield is any better on a guess than Mr. Donaldson was.

In fiscal 1950, the last year that we had two full deliveries, there were 90,189 regular letter carriers and 27,994 substitutes. In 1952, the number of regular carriers had declined to 85,848, but the number of substitutes had increased to 34,110, or a net increase of both regulars and substitutes of 775. The basis for my figures are the annual reports of the Postmaster General. The postal revenues in 1950 amounted to \$1,677,486,967.30; in 1952 the revenues had increased to \$1,848,753,685.13.

If we employed the same proportionate number of letter carriers with relation to revenue in 1952 that we had in 1950, we would require 99,401 regular carriers and 30,066 substitutes. This would result in an increase of 13,553 regular carriers and a decrease of 4,044 substitutes, or a net increase of 9,509

men. An average salary of \$3,770 would require \$35,848,930. We have also assumed that further increases in revenue will require an additional \$4 million, making our final total \$39,848,930.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Pennsylvania. I yield to the gentleman from Virginia.

Mr. GARY. I would just like to ask the gentleman if the figures he has cited were furnished by the Post Office Department.

Mr. RHODES of Pennsylvania. They come from a statement by the Post Office Department; yes.

Mr. GARY. The \$39 million?

Mr. RHODES of Pennsylvania. Oh, no, I am sorry.

Mr. GARY. They told us \$80 million.

Mr. RHODES of Pennsylvania. That is right.

Mr. GARY. I just wanted to know whether they gave the gentleman one set of figures and gave us another set of figures.

Mr. RHODES of Pennsylvania. No; I think the gentleman misunderstood my statement. Those are the figures I am estimating. I am not accepting the Post Office estimate of \$80 million.

Mr. GARY. The gentleman is not accepting the Post Office figures? The gentleman does not think the gentlemen who run the Post Office know anything about it? I want to get it straight.

Mr. RHODES of Pennsylvania. I cannot accept the 80 million estimate. The curtailment of delivery resulted in a decline in the number of letter carriers. However, poor service evidently resulted in an increase in the number of employees necessary to handle complaints. In 1950 there were 1,775 employees in the Department in Washington. In 1952 the number had increased to 2,941. Busily engaged in answering complaints.

Mr. Chairman, I want to make it clear that that is a nonpartisan effort on my part and that my only objective is to improve the postal service which has deteriorated since the unwise Donaldson curtailment order.

If I viewed this question simply from a partisan point of view, I would be inclined to be silent while administration forces continue to break promises made to the American people during the election campaign. Here is a chance for our Republican friends to help to live up to at least one of its campaign pledges. Here, also, is the chance to improve the mail service which would reflect to the credit of the administration.

I was in New York last year when General Eisenhower made his first promise to restore twice-a-day deliveries of mail and other postal services which were cut off by the former Postmaster General with the help of Congress.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Pennsylvania. I yield to the gentleman from Louisiana.

Mr. PASSMAN. Did the President make a direct promise of restoration of two mail deliveries a day, or did he just indicate they would improve the mail service?

Mr. RHODES of Pennsylvania. A reference was made to twice-a-day deliveries.

Mr. PASSMAN. I read his statements very carefully as a member of this subcommittee. I cannot find where the President ever stated he would reinstate two mail deliveries daily. If the gentleman has some quotation that escaped my attention, I should like to have a copy of it.

Mr. RHODES of Pennsylvania. I do not have a direct quotation, but surely that inference was left. The Philadelphia Inquirer of the date following the remarks made in New York commended General Eisenhower in an editorial for his statement that the mess in the postal department would be cleaned up. I made a reply in a letter to the Inquirer that if there is a mess, certainly the responsibility belongs to the Congress, which appropriates the funds. The Inquirer apparently interpreted the President's statement to mean more frequent deliveries of mail and so did the people who read this editorial.

Mr. PASSMAN. The gentleman is making a very fine statement. I am just wondering if he would endorse a proposal to permit the Postmaster General to fix the rates, where he could advance the rates, remove subsidies, and get the revenue we are entitled to if we are to have all these super-duper services.

Mr. RHODES of Pennsylvania. I certainly would, but I would oppose any increase in first-class rates. First-class mail now shows a profit of approximately \$100 million. I mention that in my statement. I would like to complete that statement before I answer any more questions. Some of the questions may be covered in the statement I will make.

Let me remind our Republican friends of these words, and I quote:

We pledge a more efficient and frequent mail-delivery service.

This was the most concise, direct, and exact statement in the Republican platform. Commenting on this statement, the New York Daily News of last July 11 stated editorially:

One plank alone ought to touch off millions of cheers and attract numerous votes.

In accepting the nomination as Postmaster General, Mr. Arthur Summerfield declared:

The improvement of all branches of the Department and the increase of its morale will be my paramount objectives in the public interest. We will operate the postal system as it should be operated—in the service of the people and as their most vital means of all-important communications. I, too, like you, am interested in two-a-day deliveries.

What has been done on the keeping of the positive promise of the Republican Party? Why is there no appropriation in this bill for this improved service? What has developed from Postmaster General Summerfield's keen interest in the return of two deliveries?

I want to remind the House that in August of 1950 a motion to restore the service was approved on a rollcall vote by 264 to 108.

I am interested in improving service not simply because it is desired by the

Letter Carriers Association, but because I believe it is something to which the people of the country are entitled.

The Post Office Department profits to the tune of approximately \$100 million a year in first-class mail. The big deficit in the Post Office Department is due largely to the handouts which this great public enterprise gives to many private enterprises.

I was interested in the remarks made by the gentleman from Virginia when he called attention to the big indirect subsidies which benefit the publishers of newspapers and magazines. I think it is entirely wrong to take away from the people, service to which they are entitled, so long as we are taxing the American public to subsidize immense salaries that some of these publishers are taking for themselves with the help of these indirect subsidies.

In a recent statement, Postmaster General Summerfield said that he would not ask for funds to restore twice-a-day deliveries. Within the last few days, the Postmaster General has reversed his position. Now we are told that he has an open mind on this question, and from what I can learn, he is now planning twice-a-day deliveries.

It is on again, off again with Mr. Summerfield and I wonder how much we can depend upon his last statement. But I hope his last promise will stick.

The restoration of the mail service includes more than twice-a-day deliveries. It means a more frequent pick-up of mail and that post offices be open for longer periods during the day to insure the kind of efficient service that the American people have a right to expect.

Now that Mr. Summerfield has agreed to restore the service, I may not introduce the amendment as I had planned. Although I have not yet definitely decided. I want to make it clear, however, that I have made no definite commitment not to introduce the amendment, although I did make a statement in this regard, with certain reservations.

I am glad if I, along with some of my Democratic colleagues, have helped in any way to force our Republican friends to keep, at least, one of their campaign promises.

Mr. GARY. Mr. Chairman, I yield 10 minutes to the gentleman from Tennessee [Mr. MURRAY].

(Mr. MURRAY asked and was given permission to revise and extend his remarks.)

Mr. MURRAY. Mr. Chairman, to me it is unthinkable that the House would consider favorably any amendment, if offered, to restore the two mail deliveries a day in residential section of our cities. Certainly with the tremendous deficit of nearly \$700 million that now faces the Post Office Department and an ever-recurring deficit which is increasing year by year, we will not add \$80 million to this deficit by providing for the restoration of 2 mail deliveries a day. What are the facts about the mail-delivery service? In our country today there are 41,000 post offices, and since carrier delivery service is only authorized in 4,675 offices, therefore, as of today there are more than 36,000 of-

fices that have no city carrier delivery service at all in these towns. The combined population of these communities, not including the rural communities, is a little more than 35 million, and these people go to the post offices to get their mail and pay the rental on lockboxes to get service through general delivery.

In addition to this, there are 32,546 rural routes that serve approximately one-fourth of our population. The patrons of rural service get 1 delivery trip a day and in some instances get only 3 trips a week. So there is no cause for restoration of the two-delivery service a day. I may say to the gentleman from Pennsylvania [Mr. RHODES] that I never heard our President during this campaign expressly promise to the people that he would restore two mail deliveries a day to the cities.

I have here a copy of the Gallup poll, April 1, 1953. It says:

SHOULD THE POSTMAN ONLY RING ONCE?—PUBLIC SATISFIED WITH ONE HOME MAIL DELIVERY A DAY

PRINCETON, N. J.—A coast-to-coast survey shows that one problem Postmaster General Arthur E. Summerfield does not need to worry about is whether to restore twice-a-day home mail deliveries.

The general public turns thumbs down on the idea by a vote of almost 2 to 1. More than 6 out of every 10 voters questioned—62 percent—today say 1 home delivery of mail a day is enough.

Even when you take the urban areas which had been generally accustomed to twice-a-day delivery—towns upward of 10,000 population—there is a 5-to-4 vote in favor of the present 1-a-day plan.

It goes on to say that in towns from 10,000 to 100,000 61 percent favor 1-a-day deliveries, and only 36 percent favor 2 deliveries a day.

In towns from 100,000 to 500,000, 53 percent favor 1-a-day deliveries and 43 percent 2-a-day deliveries.

In cities of over 500,000, 48 percent favor 1-a-day deliveries, and 50 percent 2-a-day deliveries.

I have a telegram here sent to our committee from the president of Branch 43 of the National Association of Letter Carriers, of Cincinnati, Ohio, dated May 13, 1953, which says in part:

Urge you support sufficient appropriation for Post Office Department for entire fiscal year. Vote scheduled Thursday, May 14. As the customary practice of depending on later deficiency appropriations plays havoc with the morale of the man and the service speedup and undelivered mail naturally stem from inadequate operating expenses. Cincinnati letter carriers covering one-trip routes were polled yesterday. They voted nearly 3 to 1 against channeling funds for the restoration of 2-trip delivery service.

I want to make some reference to an increase in postal rates. For 4 years I had the honor of being chairman of your Post Office and Civil Service Committee. I have been a member of that committee for 10 years. I do not believe there is any member of the committee or of this House who has worked harder and more unceasingly, day in and day out, during the past 10 years for an adequate increase in our mail rates, especially in second- and third-class mail. The only mail to pay its way today is first-class mail. There is a deficit of \$255 million

in the second-class mail, which consists of newspapers and magazines. There is a deficit of \$173 million in the third class which is advertising and circular mail.

I have led fight after fight on the floor of this House for increasing the rates on second- and third-class mail. Unfortunately, I have been unsuccessful in my efforts to get what I thought was a fully adequate increase in the rates on those two classes of mail. I have carried the ball as best I could. I understand the Postmaster General is going to propose an increase in second- and third-class rates. The ball will now be carried by our friends on the left. I no longer have that responsibility, but I assure you I will give it the same vigorous and hearty support as I did when I was chairman of the committee.

My distinguished chairman of the committee at this time, the gentleman from Kansas [Mr. REES], has always supported legislation for a fair and adequate increase in our postal rates. It is high time that we quit subsidizing second- and third-class mail at such a tremendous loss to our Government.

Our course I am concerned about this great deficit in the Post Office Department. Something must be done to increase the rates. I, for one, have been fighting for years to establish a Bureau of Postal Rates in the Post Office Department. I think the Postmaster General should have the responsibility of fixing those rates. There is too much logrolling and too much trading when we come to the question of a proper increase in mail rates. I do not believe we will ever get our rates adjusted on a fair and equitable basis for all classes of mail until we establish a postal rate board in the Post Office Department, empowering the Postmaster General upon recommendation by this board to fix the proper and fair rates for all classes of mail. Then we can start reducing this budget. I am glad to see the Postmaster General is coming along with a bill for increased rates, especially for second- and third-class mail, and I am going to back him up to the limit.

Mr. Chairman, I yield back the balance of my time.

Mr. PASSMAN. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. SIEMINSKI].

Mr. SIEMINSKI. Mr. Chairman, it is a great pleasure to serve on this subcommittee and to note that we deal today with two departments as great as the Treasury and the Post Office, and to know that sitting at those hearings were perhaps two of the finest Cabinet officers one could obtain in the United States today, in terms of their private business experience. The record will show that they have reflected business thinking in the Government service, and I for one wish them well.

I would like to congratulate and thank our chairman, the distinguished gentleman from New Jersey [Mr. CANFIELD], for his fairness in committee; and to my colleagues, sincere appreciation for their courtesy.

There are two points it seems to me that we could note. If we must continue the postal deficit, then we should openly

explain it to our people. An open and frank explanation can do much to pull the deficit out of politics, so that it will not be a campaign issue 4 years from today.

I think that if American industry, especially that segment doing business with the Post Office, on Thanksgiving Day were to take out full-page ads and thank the taxpayers of the Nation for the help of all kinds that the Federal Government is giving it, it would do much to do away with the hypocrisy of whipping the Government for its deficit, especially at campaign time. American industry takes out full-page ads when there is a strike, to solicit the sympathy of the consumer and the tolerance of labor, but show me any American industry, be it airlines, ships, transportation, farming, or anyone else, that has ever come out on Thanksgiving Day to thank the people for what the Government has done for them.

As far as customs are concerned, if we are going to have a program of trade, not aid, how can you expect to handle a stepped-up trade program if you reduce the personnel of the customs service? How do you reconcile a cut in customs personnel with an anticipated increase in prosperity through greater trade?

This is a good bill. It should pass. The hearings substantiate the merit of our modest request.

Mr. GARY. Mr. Chairman, I yield 5 minutes to the gentleman from Colorado [Mr. ROGERS].

Mr. ROGERS of Colorado. Mr. Chairman, I am pleased to note on page 19 of this report that:

Members of the committee were deeply impressed by the statement of the Postmaster General to the committee.

It further states:

He has highlighted therein many of the areas where changes looking to the betterment of the service can and should be made. To accomplish some of the changes and improvements will require legislation, either new or by amendment to existing law.

The reason I direct the Committee's attention to this statement is that I want to point out a condition that exists in my own congressional district, the city and county of Denver, Colo. The 79th Congress provided that the General Services Agency could acquire certain buildings and sites for Government purposes. Pursuant to that authority the General Services Administration did condemn and acquire property in the city and county of Denver and expended approximately \$750,000. They now have possession of that building and the site that they acquired for the purpose of maintaining new postal facilities at the Terminal Union Station in the city and county of Denver.

During the last session of the Congress we did pass legislation which would authorize the construction of facilities at that site under a lend-purchase agreement with private industry. Due to the fact that many amendments were tacked on it when it was in the House and in the Senate, President Truman vetoed this legislation. During this session of the Congress the chairman of the Committee on Post Office and Civil Service,

the gentleman from Kansas [Mr. REES], introduced H. R. 570, and I introduced H. R. 1411, both of which have as their objective the enactment of the law that was vetoed by the President 2 years ago. If the Postmaster General desires to carry out and improve the service, I want to point out that the working conditions in the city and county of Denver post office at the present time are not good. Most of the assembling, sorting, and distribution is made at an abandoned warehouse which I had the privilege to examine last year. I would say that the working conditions were such that if it was private industry, operating the building, the State authorities would close it up as a fire trap. I hope the Postmaster General will, with all convenient speed, make a report to the chairman of the Committee on Post Office and Civil Service and act favorably on these bills.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Colorado. I yield to the gentleman from Kansas.

Mr. REES of Kansas. I want to assure the distinguished gentleman from Colorado that we share his concern with respect to this legislation, H. R. 570 and H. R. 1411, and we do appreciate his interest in the problem. For his information I will say that both of these bills were sent to the Bureau of the Budget and the Post Office Department, and they have gone through the regular routine that bills usually pass through, and we have just recently received a report from the Post Office Department approving the legislation with some amendments that they are asking our committee to consider. I believe I can assure the gentleman that within a very short time we will be able to bring to this floor legislation that will be practically or almost similar to the bill he introduced. We appreciate, again, his support as we had it last year. As the gentleman just suggested, in the 82d Congress he and the gentleman from Kansas introduced similar legislation, but for some unfortunate reason the President saw fit to veto that measure. I think I can assure him that we will move this thing along as speedily as possible from here on.

Mr. ROGERS of Colorado. I am delighted to hear the chairman of the committee say that and to assure him of my full cooperation, and I trust we can get it on the floor of the House and pass it and remedy the situation that now exists.

Mr. CANFIELD. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. VURSELL], a member of the committee.

(Mr. VURSELL asked and was given permission to revise and extend his remarks.)

Mr. VURSELL. Mr. Chairman, as a member of the Subcommittee of the Appropriations Committee which held hearings on the Treasury and Post Office appropriation bills, I would like to say that I was deeply impressed with the Secretary of the Treasury, the Honorable George M. Humphrey, and the presentation he made to our committee.

The committee was likewise impressed with the members of his staff, all of whom have excellent backgrounds, and at the same time have had close contacts with government operations in their private business, so that they are not operating entirely in new fields but are in a position to evaluate techniques of the business world and apply them to the large and difficult problems of government before us.

Throughout the hearings, which lasted several days, I was constantly impressed with the zeal and exceptional ability of the new men who had been brought into Government, and their willingness to cooperate fully with the committee to reduce the cost of every department. And at the same time, their confidence that with better management they could achieve greater efficiency in their departments and better service. Instead of wanting increased appropriations, as has been the practice, they came pointing out to the committee in almost every instance where appropriations could and should be reduced. With their cooperation, our committee has been able to bring to the floor of the House the largest reduction that has been made in the Treasury and Post Office Departments in many years.

May I point out that the total of regular annual appropriations carried in titles I and II of the bill before us amounts to \$3,444,145,000, which is a reduction of \$127,983,000 in the Truman budget estimates for direct appropriations. Recommended appropriations in this bill for the Treasury Department amount to \$611,895,000, which provides for approximately 76,157 employees.

This cut resulted in a civil personnel reduction of 3,167 employees and will reduce the military personnel in the Coast Guard by 1,159 during the year. The recommended appropriation of \$2,832,250,000 for the Post Office Department contemplates the employment of about 520,000 civilian personnel.

If you will turn to the tables on pages 30, 31, and 32 of the committee report, you will note we made substantial reductions in every department, with the exception of the Narcotics Bureau, and never an increase. Those in charge of the departments, through greater efficiency and better management, assured the committee that they believe they can absorb all of these savings.

For instance, for salaries and expenses in the Office of the Secretary there was a cut of \$220,000; in the Bureau of Accounts, \$1,265,000; in the Bureau managing and administering the public debt, a reduction of \$5 million; Office of the Treasurer, \$3,650,000; Bureau of Customs, \$1,500,000; and in the Bureau of Internal Revenue there was a total cut of \$6,500,000.

We reduced the United States Secret Service department by a total of \$348,000; the Bureau of the Mint, \$600,000; the Coast Guard, including operating expenses, acquisitions, construction and improvements, reserve training, the amount of \$246,200,000 requested by the Truman budget was reduced by \$34,350,000.

These reductions total up to the sizable sum of \$53,433,000 covered under

title I of the bill but does not include the reductions made in title II of the bill covering the Post Office Department.

I think the Members of Congress realize there has been a serious lack of progressive, up-to-date management in the Post Office Department. It has been a loose, badly mismanaged, constantly expanding organization generally doing the same things the same way they have been doing them since the beginning of the horse and buggy age, with failure to give proper attention to research, the installation of modern machinery methods, and a laxness of proper accounting with a general absence of dynamic business management from the top. This, I think, can be said without finding any fault whatsoever with the fine effort and loyalty to the service that has been carried on by the thousands of splendid employees who are to be complimented for keeping their morale as high as they have in spite of the lack of inspiring, efficient, top leadership.

I am sure every member of the committee was tremendously impressed when for an hour in the first session of our committee, the Honorable Mr. Summerfield, the new Postmaster General, outlined his policies, who in the time he has been at the head of this Department has shown an overall grasp of the problems of this tremendous Department that surprised and encouraged the members of our committee. May I say to the Members of the House that the men he has brought in at a considerable sacrifice to themselves from the business world who are willing to work with him on the team to rejuvenate the entire postal organization with the application of better business practices and new methods of modernization as rapidly as possible for greater efficiency, I am sure deeply impressed every member of the committee.

I feel certain that if this Congress will cooperate with the Postmaster General with the same zeal that he desires to cooperate with the Congress that all of the Members of this Congress will be proud of the results that will come from such cooperation in putting the Post Office Department on a business basis and ultimately, and I may say speedily, wiping out the postal deficit that has constantly become greater each year until it now approaches \$700 million.

I wish every Member of Congress could have had the opportunity our committee had to appraise and evaluate the remarks of the Postmaster General—his ability, his enthusiasm, along with the members of his staff, to make a great contribution to our Government.

In closing, I would like to point out that the budget estimate requested by the outgoing President of \$2,906,800,000 has been reduced by your committee down to \$2,832,250,000, or a total reduction of \$74,550,000. When you add the reduction of \$53,433,000 in the Treasury Department, the total savings requested in this legislation is \$127,983,000.

Mr. JAMES. Mr. Chairman, I yield 10 minutes to the gentlewoman from New York [Mrs. St. GEORGE].

Mrs. ST. GEORGE. Mr. Chairman, I wish first of all to thank the committee

for giving me this opportunity to speak on this legislation. I shall address myself to the portion of the bill that is concerned with the Post Office Department, in which I have the very deepest interest and perhaps some knowledge.

First of all, I would like to say that I am also, like the chairman of this committee, one of those who deeply regretted the curtailment order when it went into effect; that I favored the two-a-day delivery of the mail, and that I think it will work to greater efficiency. But I think that we must all take this into consideration: The curtailment order has now been in effect for 3 years. Therefore, it is not a question of reactivating anything. It is a question of recreating. In so doing, it would mean a considerable expense. I believe some figures have been quoted; but it seems to me, after going through it carefully, that we can safely say it would cost at least an additional \$80 million to give this service back to the country and to the people.

In the second place, the present Postmaster General, who has been extolled, and quite properly so, today on both sides of the aisle, seems to me like a man we can all trust. We know his ability. We know his business acumen. We know, because he has stated it repeatedly before committees, and also to Members of Congress personally, that he believes in efficient service; that he believes in economy; and that he intends to put both into operation. He must, however, be given a little time to do this. I have no doubt, from the performance we have already seen, that the Postmaster General is going to give two-a-day service where it is needed. I understand that already in some congested areas that is in effect. It will gradually grow until it is given wherever it is needed. I have implicit faith in the present heads of the departments, but I would like to say this, Mr. Chairman: During the past few weeks I have been working on a report on a reorganization of the Post Office Department, and it has been my pleasure and profit to work very closely with a great many of the employees. I would like to say I have found them most reasonable in their approach to these problems. I have talked with the lettercarriers. I have also talked to the star route carriers, and when we have been able to discuss these things quietly and across the table, they are the first ones who have agreed that they must give this new department, this new administration, a chance to find its way; a chance to get its feet on the ground; a chance to work with them and for them.

There is no group in the Government service more loyal, more honest, or more painstaking than the Post Office employees. They are not going to try to sabotage the work of the Department. On the contrary, we have faith and trust that they are going to do everything possible to help it along.

I also agree with those who have said on the floor of this House that if at some later date they are not satisfied with what has been done, either for the employees or for the service, they will again come before Congress and ask that certain services be restored. I think that

is the proper attitude. I think it is an attitude that all wish to take and a right we will all reserve to ourselves. But I am sure that the House at the present time is in a mood to give this new administration a fair show, to let them try and improve the service—and there are many many improvements that should be made. To mention just one of them that I think is very important—I do not say that it can be done immediately, but I sincerely hope that the committee will take it into consideration—and I am sure the great committee on which I have the honor to serve, the Committee on the Post Office and Civil Service will take it into consideration, some of the improvements that need to be made in the post offices throughout the country. If you stop to realize, hardly any of these offices have air conditioning. Now I ask you as Members of this House who work here every day, usually all through the summer, because it has been my good fortune to be in Washington 10 months out of the year ever since I was elected to Congress—how would you feel if you had to work in offices not air conditioned? Yet that is so in most of the postoffices all through the South and even here in Washington. Those are some of the problems that have got to be taken up to enhance efficiency because, after all, efficiency depends upon the morale, the good health, and the strength of the employees. I say that this administration has many many things to look into.

This new team is composed of fine, experienced businessmen, men who are used to personnel management, men who realize that in the final analysis it is the human being and the human equation that counts and that makes an organization valuable or not. I, for one, have the utmost confidence that they will build up the Post Office Department to be not only what we want but what the people of the country want and also what the employees and those serving want it to be.

We talk a great deal on the matter of rates; we also talk a great deal about the Post Office Department being a service department and therefore not paying its way. I would like to point out to you that after all, the one service that does pay its way in the Post Office Department is the first-class mail which gives the service and goes into the home of every taxpayer in the entire country. There is never any grumbling about what they pay, and I say that service pays its way. Yes, the subsidies should be marked out; they should be marked out carefully, they should be apportioned where they belong. That is the only way to do it intelligently. We scrutinize the Department's deficit, but even so, even after you have put all the penalty mail on one side, even after you have put away the subsidies to the airlines, to the railroads, you will still find that you have a very large deficit.

Ever since I have been in Congress I have said year by year that what we must determine once and for all, is whether the Post Office Department is to be a service department or whether it is to be a department paying its way on a

business basis. Let me remind you that there is only one post office in the world that does not pay its way and is not organized along businesslike lines, and that is the Post Office of the United States. I am not quarreling with it, I am not saying that it is not better that it should be so, but I do think that for once and for all the Congress should determine what it wants the Post Office to be, whether it is to be a service organization, whether it is to run constantly at a rate of about \$2 billion and nearly \$3 billion a year to the taxpayers, or whether it is to pay its way. I believe that in time under the present administration, under this team of fine businessmen and fine patriotic citizens these things will be determined. But I do feel that we must have patience and we must give them a little more than a hundred days in which to reorganize this huge Department.

Mr. REES of Kansas. Mr. Chairman, will the gentlewoman from New York yield?

Mrs. ST. GEORGE. I yield to my chairman.

Mr. REES of Kansas. I want to commend the gentlewoman from New York for her splendid statement and call attention especially to the report of the subcommittee of which she is chairman, reported to the floor of the House offering very fine constructive suggestions with respect to the improvement in the postal service and which is also recommended by the Post Office Department itself. I hope the Members of the House will read that very fine report.

Mrs. ST. GEORGE. I thank the gentleman and may I say, that the cooperation of the present Post Office Department has been most gratifying and helpful, on the preliminary report of my subcommittee.

The CHAIRMAN. The time of the gentlewoman from New York has expired.

(Mrs. ST. GEORGE asked and was given permission to revise and extend her remarks.)

Mr. GARY. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. LANE].

(Mr. LANE asked and was given permission to revise and extend his remarks.)

Mr. LANE. Mr. Chairman, all other forms of communication are speeding up, but the Post Office Department has gone back to the one-horse shay.

The order of the Postmaster General, dated April 17, 1950, cut deliveries from 2 to 1 a day for the parents of a boy in service, or an older person who needs that social-security check without delay, or a businessman who knows the value of time.

As a result of this economy slowdown, a letter posted tonight will be delivered not on the following day but on the day following that, even though it is only sent across the river.

Economy? It is not even that. The Postmaster General himself is authority for the fact that it would only cost \$80 million to restore the convenient and necessary service of two deliveries a day.

It seems to me that we could make up this sum by operating efficiencies, starting with administration. A good beginning could be made by snipping off a lot of the redtape, the reports on reports on reports that "merry-go-round" within the Department itself, constituting a separate and inside mail service that costs money, frustrates every postal employee and accomplishes next to nothing.

In the campaign of last fall, the Republican leaders were getting their vital analyses, battle communications, and speeches so late that they suspected the Democratic Postmaster General of doing this deliberately, as part of the political war of nerves. As the Democrats were having the same trouble, there were no grounds for suspecting political sabotage.

You see, we both suffered from the lagging mail service.

But you ought to hear some of the complaints I get from those who carry the mail and those who wait for it. It is a good thing they do not put their feelings in writing—sealed, stamped, and dropped into the nearest letterbox because I believe there is some penalty attached to mailing incendiary matter.

The mail service has become the snail service since this alleged economy move backfired.

Previously, foreign countries used to copy our system, but the "postman rings once" setback is beyond their understanding and ours.

Local and field surveys reveal that a big mistake was made in curtailing service, not only to householders, but to the little fellows of business and industry. Orders and inquiries arrive too late. Jobs and contracts are lost. These people cannot afford to close a deal by telephone, telegraph, or personal contact. When the mails fail them, they are stuck.

The United States is growing. The volume of communication is ahead of that pace, due to the increasing complexity of contacts, personal and economic, that accompany progress.

Way back in 1797, Congress decided that the United States Post Office Department should be run as a public service, rather than a profitmaking business.

I believe that we have allowed an order by a former Postmaster General to interfere with the prime responsibility of delivering the mail as swiftly as possible.

The public wants mail deliveries brought up to date by restoration of twice-a-day service.

Mr. CANFIELD. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. JAMES], a member of the committee, whom I would describe as a successor to the immortal Ben himself.

Mr. JAMES. Mr. Chairman, I do appreciate the many "plugs" that you give me, which have been of very great benefit both in my business and private life.

Earlier in the day the very distinguished and universally respected gentleman from Virginia, Mr. HOWARD SMITH, prefaced some very valuable remarks with the statement that he had

not been "impelled" to make a speech today on this bill. Up to this point I, too, have not felt any impulsion to speak. The very able members of the committee who have described the bill have done an excellent job and, so far as I can see, there is not much more to say. Each of the members of the committee has paid high tribute to the wonderful leadership that our committee has enjoyed, both in this session under the chairmanship of the gentleman from New Jersey [Mr. CANFIELD] and in the last session when it was under the guidance of the distinguished gentleman from Virginia [Mr. GARY]. I confirm all of the fine statements that have been made about these gentlemen and also the stated fact that this committee operates in a spirit of harmony and devotes and dedicates itself to the business before the committee without heat and in a way that is bound to bring to the House the best results possible.

My impulsion to speak at this time is because the gentlewoman from New York [Mrs. ST. GEORGE] has just addressed the Committee. May I say to the Committee that during our deliberations and our hearings on the Post Office section of our bill, a report from the so-called St. George Subcommittee of the Committee on Civil Service and Post Office, was given to us for our information. We found in that report the basis for many very important interrogations of people who came before us from the Post Office Department.

I am going to recommend to the legislative committee, the Committee on Civil Service and Post Office, that they read carefully the hearings before our appropriations subcommittee. The problems of legislating and the problems of appropriating for this particular department of the Government are so closely allied that there is a temptation at times for the Appropriations Committee to step out of bounds and try, or at least think that it might contribute something, by writing legislation into an appropriation bill. The distinguished chairman of that committee, the gentleman from Kansas [Mr. REES], has this day warned the Appropriations Subcommittee, or shall I say served notice upon it, that he does not care much about our efforts to get any hint of legislation into an appropriation bill. Certainly our own work is sufficient unto itself and we have no desire to add to our task.

However, there are a great many occasions when we find things that should be subjected to legislative scrutiny, and which are, we think, neglected to a point where exploration alone provides the temptation to step in and do something about them. For that reason I suggest to you, Mr. Chairman, and your very able and distinguished and highly respected committee, that you examine our hearings and the interrogations therein as carefully as we examined the St. George report that came to us during the time that we were hearing the Post Office Department witnesses.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. JAMES. I yield to the gentleman from Kansas.

Mr. REES of Kansas. I will say to the distinguished gentleman from Pennsylvania that we appreciate his admonition and will be most careful in examining the hearings of his subcommittee. We know that his hearings contain a lot of constructive and valuable information as well as admonition, and we appreciate it.

Mr. JAMES. That is very kind.

Mr. GARY. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, at the outset, with the other members of my committee, I want to pay tribute to our chairman, the gentleman from New Jersey [Mr. CANFIELD]. The gentleman and I have been seesawing back and forth on this committee for some time. He was chairman in the 80th Congress. I had the privilege of serving as chairman in the 81st and 82d Congresses. Now he is back in the saddle. I can say that he has never failed to give me his utmost cooperation, and I have tried to give him the same cooperation during his service as chairman of this committee. We seldom disagree, but we have found out that we can disagree without being disagreeable. Consequently we have had unusual harmony in our committee. Our chairman is a very able man. He has served long in this body, and previous to becoming a Member he served as secretary to the Congressman from his district. There are few men that know the operation of the House any better. He has contributed greatly to the study of the Treasury and Post Office Departments and to the improvements of those departments. I join with him in the tribute that he paid to each member of this committee, and I will not stop now, as the hour is getting late, to commend each one of them separately. I am proud of them. They have done a remarkable job.

I do want to say that I agree most heartily with the very excellent remarks made by my colleague, the gentleman from Louisiana [Mr. PASSMAN] with reference to subsidies in the Post Office Department. He has labored on that question very diligently and has spoken most intelligently on the subject before this House.

Mr. Chairman, I think each Member of this House should realize that this bill actually appropriates nearly \$20 billion, which is approximately one-fourth of the entire Federal budget.

Comprising that amount is, first, the item of \$9,605,990,000 of permanent and indefinite appropriations. Included in that large sum are two items which make up most of it, the item of interest on the public debt of \$6,350,000,000 and the tax refunds of \$2,593,000,000. Although a part of this bill, that nine-billion-odd dollars cannot be touched by our committee because those items are fixed.

In addition, we have certain funds paid out of the trust funds of the Treasury, which total \$6,382,338,504. They are comprised chiefly of the payments from the Federal old-age and survivors insurance trust fund and the payments from the unemployment trust fund. Those items cannot be touched by our

committee, yet they are a part of this huge appropriation we are considering today.

The items over which we do have jurisdiction and in which we can make changes are in the operating expenditures of the Treasury and Post Office Departments.

The Treasury Department requested a total of \$665 million originally. Those requests were subsequently reduced, and our committee approved the expenditure of \$611,895,000, which is a decrease of \$53,433,000 from the original request.

Several of the reductions are questionable. Thirty-one million dollars of the total cut comes from the Coast Guard appropriation. In my judgment, the Coast Guard is one of the most economically administered services in the entire Government of the United States, and I say that after having visited its installations practically all over the entire world. We have been assured by the Coast Guard that they can absorb this cut without seriously impairing its efficient operation.

One item to which I might call your attention, however, is that we are drastically cutting their airplane replacement program. As to that program, they came before us several years ago and asked for large sums. We suggested to them that they work out a definite program of replacement so that they would replace only a part of the planes each year and not have such a large appropriation in 1 year. They worked out a 5-year program. Their request this year was based on the 5-year program. Frankly, I think it would be better economy to make our appropriations on that basis. However, the new administration said they wanted some opportunity to resurvey that program and I think they should have it. Therefore, I am acquiescing in that cut, although frankly I do not think that in the long run it will result in any large saving of funds.

Mr. OLIVER P. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Ohio.

Mr. OLIVER P. BOLTON. On page 16 the report of the committee points out that there is a reduction of some \$11,750,000 in the budget for the Coast Guard. Can you tell me if that will have any effect upon the Air Sea Rescue operations of the Coast Guard, particularly along the shores of the Great Lakes?

Mr. GARY. It will not affect the Great Lakes at all.

Mr. OLIVER P. BOLTON. I thank the gentleman.

Mr. GARY. Search and rescue programs will not be disturbed. The cut will only affect the port security program, and there will be no reduction in that program, but it will merely slow down the enlistments in the program from now on. There will be no reduction whatever in the program to which the gentleman refers.

Mr. OLIVER P. BOLTON. If I may ask one further question, sir, there was a question raised as to uniform allowances at the Coast Guard Academy over

the past year. Was this matter considered by the committee?

Mr. GARY. It was not brought to our attention.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. HOSMER. In connection with the development of the final phase of the Loran projects, how long it is contemplated before they will be developed?

Mr. GARY. That is a matter for discussion between the Coast Guard and the Navy. The Coast Guard wanted an opportunity to discuss that program with the Navy, and they will work out a solution. I will say our committee, and I am certain the Congress, will go along with any reasonable agreement they may make with respect to the Loran program.

Mr. SCHENCK. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. SCHENCK. I wonder if this reduction with respect to the Coast Guard means any reduction in the allowance or pay of the men themselves?

Mr. GARY. No; there is no pay reduction whatever. The only reduction it will make will be a reduction in the number of those employed, and that will not require the separation of any men from the service, but will be taken care of in the recruiting program.

Mr. SCHENCK. Therefore, it will have no effect on their quarters or subsistence allowance?

Mr. GARY. None whatever.

Mr. SEELY-BROWN. In other words, the normal rate of attrition, if you will, will take care of the reduction in force?

Mr. GARY. The reduction will be taken care of entirely by the normal rate of attrition. The gentleman is correct. The only effect, as I say, is on this airplane program, which I would rather not see cut, yet I think the new administration should have an opportunity to review that program.

Mr. Chairman, we cut the Bureau of Internal Revenue. Let me say right here that is one Bureau I would hesitate to cut because this administration has seen fit to come to the city of Richmond, my hometown, and take one of our ablest citizens, a man who has made a name for himself in the local community and throughout the United States as well. He is a certified public accountant, Mr. T. Coleman Andrews. We grew up together. He is a man of absolute integrity. He is a man of great ability. He is the first certified public accountant to ever head the Bureau of Internal Revenue. I think he is going to do an excellent job, and I certainly for one would not want to cut his funds so as to hamper his activities. But, before we made that cut, we were assured that it could be taken care of without impairing the efficiency of that office. So it goes down the line.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. HOSMER. In connection with the \$738 million for the item to investigate or audit tax returns, that is the same amount that the previous administration desired. It was an amount based

on what we know to have been a notorious disinclination to pursue collections to a great extent. Is there any assurance that if the new commissioner wants additional personnel now for auditing inspections, he will come in and get them?

Mr. GARY. I will say to the gentleman, I would not agree that there had been any disinclination in the past. As a matter of fact, that appropriation was tremendously cut in the 80th Congress. We then found out that a mistake had been made and we have been gradually restoring the personnel necessary to take care of that office.

Mr. HOSMER. Is it not true, however, that where there are some 26,000 people working on this project which covers more than 60 million taxpayers, that it is a pretty low ratio of inspections and audits for the number of returns.

Mr. GARY. No, sir; I do not. I do not think so at all and the new Commissioner does not think so. He never complained to us. He said that if he found out that he would need additional personnel to do a proper job of enforcement, he would not hesitate to come back and ask for it.

Mr. HOSMER. In other words, the matter is still open.

Mr. GARY. The matter is still open, and it is always open before this Congress.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. CANFIELD. Is it not true that the Commissioner told us that during the last year \$2,700,000 was saved through simplification, and devoted to this very purpose, and they expect to apply further savings?

Mr. GARY. That is absolutely true. The reorganization plan which went through last year is contemplated to save substantial sums of money, which will be plowed back into that program; but if additional funds are needed for enforcement, our committee has made it plain to the Commissioner that we will see that those funds are granted, to the best of our ability, and I believe the Congress will back us up because, in the long run, that is economy.

Now, with references to the Post Office, there has been a great deal said about the Post Office. To me, this is the one important fact in connection with the Post Office. We have an annual deficit in the Post Office Department of \$700 million. That is a tremendous deficit for any department to face. I am frank to say that included in the items which make up that deficit are two items which in my judgment should be eliminated and our committee has fought on this floor for their elimination for a long time.

The first is subsidies. We subsidize the air lines of the country. We have never been able to determine how much of the amount we pay to the air companies is for service and how much is for subsidy. But those rates are not fixed by the Post Office Department. Under the law that has been passed by this Congress, those rates are fixed by the Civil Aeronautics Board, and in determining those rates

they do not consider the service rendered, but determine them according to the needs of the individual air lines. This means we are giving the airlines a subsidy. It may be necessary, and therefore I am not opposing the subsidy. What I am saying is that if we are going to give the airlines a subsidy it should be a separate item, and the people of the United States should know how much they are contributing to those companies.

In addition to the airline subsidies, the post office handles a lot of free mail. They handle all the Government mail. It is estimated that the subsidies and free service that the post office renders would account for \$200 million of the deficit, but that leaves a deficit of \$500 million a year, even if you eliminate those two items. How are you going to reduce that deficit? Ninety-five percent of the expenditures of the post office are not under the control of the post office at all. A large part of it, the greater part of it, is for salaries, and the salaries are fixed by the Congress of the United States and not by the Post Office Department.

Another large part of the expenditures is for the transportation of mail. The cost of transportation of mail by rail is fixed by the Interstate Commerce Commission, and the Post Office Department cannot do a thing to change it. The transportation of mail by air is fixed by the Civil Aeronautics Board, and there is nothing the Post Office Department can do to change it. Therefore, the post office actually controls only about 5 percent of its expenditures.

There are several ways in which the post-office deficit can be reduced.

First, we can have more modern management. Frankly, I do not think there is any question about the fact that the post office has been somewhat slow to adopt modern methods. Our committee has been urging them for a long time to bring in experts in the various fields: expert engineers to advise on mechanical devices to handle the mail, expert accountants to insure a proper accounting system, and other experts to work out other intricate problems within the Department. They worked out a program and got it started a year or two ago, and I have every reason to believe that it is going to be continued. We have been assured of that by the Post Office Department, and that by adding modern methods we will be able to obtain better service at less cost.

Let me say right here that in any program of that kind the Post Office Department is going to have the heartiest, the most absolute, support of the minority members of my committee, and I am sure of the minority Members of the Congress.

Second, here on this stand is a picture exhibit. The pictures happen to be taken in North Carolina because that is where this particular problem arose, but they represent a situation that exists throughout the entire United States. The post offices in this country were laid out in the days of the horse and buggy, when a man wanted to be able to drive to the post office, get his mail and drive

back home without losing too much time. We therefore had to have a great many post offices throughout the entire length and breadth of the country. Today we have hard roads, and our whole system of transportation has improved tremendously; yet as far as the post offices are concerned, we are still living in the horse-and-buggy age. The Post Office Department is trying to make an improvement here. This project, may I say, was started last year under Postmaster General Donaldson and has been continued under the new administration, so it is no partisan matter; we are simply setting forth facts on how and where we can save money in the Post Office Department.

Here you have 21 post offices in one county in North Carolina. If you look over this exhibit you will find that the receipts of those post offices are very low, in many instances around a thousand dollars, although the expense of operating them runs around \$10,000 to \$12,000. Therefore, the Government is losing large sums of money on the operation of each one of these post offices. In addition, the fact is that the patrons of all those post offices can be better served by rural routes which are now running right along the highways. Instead of the mail being left at the post office to which the people would have to travel to get their mail, it would be left at the persons' farm door or the lane to his farm. All he has got to do is to put up his box to get the mail delivered to him, and he will have better service at less cost.

I know the Post Office Department has told us they intend to carry through this project of replacing uneconomical post offices with rural routes, and I have heard some grumblings from Members because the Department is going to abolish post offices in their districts. Let me say to you that they abolished a number in my own district last year and people wrote to me and asked if I could not save them. I replied that I had been telling the Post Office Department for many years to save money, and that if they were going to do it it would take some little sacrifice on the part of the people.

I believe this administration is going to try to do a good job in that respect and I hope they will have the full cooperation of the Members of Congress.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. H. CARL ANDERSEN. I am sure the gentleman realizes that in most parts of the United States these little fourth-class post offices are in small villages. If you take away from these particular little communities their post office you virtually take away the individuality of that particular community. Take the case of my own immediate locality.

My community, Tyler, is 7 miles distant from a small fourth-class post office at Florence. The Florence people believe in their little village, and are proud of this community but with the possible abolition of their post office that little community will go out of the picture. From then on the mail is ad-

dressed to them via Tyler, the neighboring village. The name of Florence would become unknown. This is just given as an example of what can occur.

I express this little note of caution feeling that perhaps we may overdo this because of economy, which we hope to achieve, but let me ask, Will some arrangement be made to reimburse the rural route appropriations for the additional funds needed to serve any former fourth class communities, which may be eliminated.

Mr. GARY. I will say to the gentleman that arrangement has been made. That is the arrangement that the gentleman from New Jersey [Mr. CANFIELD] discussed and the arrangement for which we had a rule this morning. The Post Office Department asked us if we would not give it the right to transfer funds within the department so that when they could save on one operation of this kind they could use those funds for other operations. That authorization is contained in this bill, and I think it is a very proper authorization.

Now, do not misunderstand me. I did not say that every fourth class post office in the United States should be abolished.

Mr. H. CARL ANDERSEN. I realize that. I appreciate the gentleman's very fair viewpoint on this. He has always shown himself a friend of agriculture.

Mr. GARY. Post office closings should be done only after very careful investigation, and I believe it will be done only after very careful investigation. I may say to the gentleman that unless the Post Office Department could assure me, when about to abolish a post office in my district, that equally good service would be rendered the patrons of that office through another post office, I would oppose it; the point is that in most instances the service will be better.

Mr. H. CARL ANDERSEN. I want to point out a further situation relative to these two small towns. I have previously referred to. We in Minnesota have blizzards during the winter. Sometimes out on my farm we are cooped up for 9 or 10 days without a delivery of mail. Now, if, for example, the Postmaster General should decide to go to the extreme and close the fourth class post office at Florence, it could mean that the rural route to Florence could be blocked and that small village, like others in similar situations, would be without mail, even though railroads go through their villages.

Mr. GARY. The Post Office Department will take those things into consideration.

Mr. H. CARL ANDERSEN. I want to be satisfied they are going to conduct a very thorough investigation, especially up in my section where the winter conditions are as they are.

Mr. GARY. As a Democrat, I am willing to trust the administration to do that and I think the gentleman should be willing to trust them also.

Mr. H. CARL ANDERSEN. I certainly am in agreement with the gentleman but do want to express this word of caution.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Connecticut.

Mr. MORANO. Is it not true that the Post Office Department will notify a Congressman and tell him a survey is being made for the purpose of determining whether a post office should be abolished or consolidated?

Mr. GARY. It has been the custom to notify them that a survey is being made.

Now, Mr. Chairman, there is one other question I want to discuss that I think is very important. The one mail daily delivery came about as a recommendation of our committee. At the time the recommendation was made I was chairman of that committee, and I stand here today to take all of the blame for any evil that has flowed from it. I think by the same token maybe I might take some credit for the good it may have done.

In the first place, at the time the order went into effect curtailing regular mail deliveries in residential sections, only 32 percent of the citizens of the United States were getting more than one mail delivery a day. Sixty-eight percent of the people of this country have never received more than one delivery a day, and a large part of that 68 percent did not get even one delivery a day. Some of them received their mail every other day. Personally, I did not think it was proper to saddle the expense of \$80 million on all of the taxpayers of the United States to give a special service to 32 percent of the people.

In the first place, we have never restricted deliveries to one a day. There is not a single section affected by this order that cannot get delivery every hour if they want it.

All a person has to do to get more than one delivery a day is to put a special delivery stamp on the letter. That is what special delivery is for. If anybody wants special service, then there is no reason why they should not be willing to pay for that service; and in my judgment, there is no reason for saddling that expense upon the taxpayers of the United States.

Mr. McCARTHY. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Minnesota.

Mr. McCARTHY. I do not think the gentleman wants to give the impression that the people in the city are taking any undue advantage of the people in the country. He is not opposed to the rural free delivery program, I take it, which is not self-sustaining.

Mr. GARY. Certainly I am not opposed to it, but the rural people get 1 delivery or less a day; they do not get 2.

Mr. McCARTHY. Maybe we should give them one every other day, if it is so costly. I think we ought to keep the record straight and not leave the impression that the city people are taking undue advantage.

Mr. GARY. I am making the issue that we are giving special service to 32 percent of the people of the United States that nobody else gets at all; that the other 68 percent do not enjoy, and we are doing it not at the patron's expense; we

are doing it at the taxpayers' expense, which, in my judgment, is wrong.

Mr. McCARTHY. Well, we are giving a special service to the people living in the country at the taxpayers' expense. I think we ought to keep the record straight. The city people are not asking for anything unreasonable.

Mr. GARY. The city people are not asking for anything at all. I have not heard any complaint from the city people. In my district the city people are satisfied. The newspapers in my city have made a survey among the people and in every instance 5 to 1 were opposed to paying the additional amount to restore this service.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The gentleman talks about 32 percent and 68 percent. Of course, the problem of business delivery in a city and of delivery in a large city generally is an entirely different matter.

Mr. GARY. This order never affected the business section at all. Business sections get more than one delivery a day now.

Mr. McCORMACK. Not all of them.

Mr. GARY. Well, then, they should.

Mr. McCORMACK. I do not want to get into an argument, but the gentleman has stated his views frankly, and I respect them. There is no need of us getting into a discussion just because I am not in agreement with my friend, though I respect his views in disagreement. But when you take the figure of 32 percent, most of that is in the cities.

Mr. GARY. All of it is in the cities.

Mr. McCORMACK. And the gentleman will admit that the problem in connection with business and all of the other activities of the cities might justify different deliveries.

Mr. GARY. Yes; I admit business does, but not the residential sections. This order affected only the residential sections, and I see no difference between a residential section in a city and a residential section in a rural area.

Mr. McCORMACK. I am not so sure that my friend is completely correct, but I suggest he look into it further.

Mr. GARY. There has never been any suggestion of reducing deliveries in business sections, and if it has been reduced in business sections, then it should be restored.

Mr. McCORMACK. In any event, my friend will admit that the ones who caused the change in the two delivery a day that took place was the Congress itself.

Mr. GARY. That is right.

Mr. McCORMACK. It started in the gentleman's committee.

Mr. GARY. That is right, and I am from a city.

Mr. McCORMACK. And the Republican members voted for it as well as the Democratic members.

Mr. GARY. Yes; and I am from a city.

Mr. McCORMACK. Except the gentleman from New Jersey [Mr. CANFIELD].

Mr. GARY. The gentleman from New Jersey opposed it from the very beginning.

Mr. McCORMACK. All other Republicans voted for it; is that not true?

Mr. GARY. It has never been a partisan matter.

Mr. McCORMACK. It was a \$25 million reduction, was it not?

Mr. GARY. Eighty million dollars.

Mr. McCORMACK. Eighty million dollars?

Mr. GARY. At the time the order was originally entered there was a \$100 million reduction, which included other services, but it was estimated that \$80 million of that was allocated to the one delivery.

Mr. McCORMACK. What did the gentleman's committee reduce it to?

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from New Jersey.

Mr. CANFIELD. The cut of our committee that year was \$28 million.

Mr. McCORMACK. I thought it was about that.

Mr. CANFIELD. Prior thereto there had been a cut of \$42 million by the Bureau of the Budget. The contention of the Postmaster General was that he needed all those funds back for restoration, which then was about \$30 million.

Mr. McCORMACK. That was my recollection. I wanted the record clear. That \$28 million reduction really brought it about. As I remember, that was brought about as a result of a coalition vote in this body.

Mr. GARY. It was a coalition vote. I think one of the greatest problems this country faces today is that of balancing the budget. We have balanced the budget very seldom within the last few years. We are now facing a public debt of \$265,500,000,000. We have been warned that the budget cannot be balanced within the next year or two, and there is talk of increasing our debt limit above \$275 billion. Here is an opportunity to save some money, \$80 million of the taxpayers' money, the estimated cost of restoring twice-a-day service. If we are going to balance the budget we must cut out all unnecessary services. I maintain that two mail deliveries a day in residential sections is unnecessary.

Mr. RHODES of Pennsylvania. Mr. Chairman, I am sorry that the Postmaster General did not request funds to permit more frequent deliveries and pick-up of the mail.

It was my intention to introduce an amendment to provide additional funds for this improved service. However, I understand that yesterday the Postmaster General told representatives of the National Association of Letter Carriers that he has an open mind on this question and that two deliveries may be restored at an early date.

It will be interesting to know how Mr. Summerfield will accomplish this objective without additional funds and it will also be interesting to watch what he will do about this matter in the near future.

My objective is to bring about the improved postal service which was prom-

ised in the Republican platform and in campaign speeches by its candidates. It has been said today on the floor that General Eisenhower never made such a promise. I am sure that is not the feeling of millions of voters who were influenced by the statement made by the General at the Letter Carriers National Convention last fall when he said:

I, too, like you, am interested in two-a-day deliveries.

That is a direct quote from General Eisenhower's speech in New York on September 1 of last year.

I am not surprised that efforts are now being made to have it appear that this promise was not made. Apparently, it is considered a mandate of the people to give away the great oil resources through the States to the big monopolies. But the promises that the people were really interested in, such as expansion of social security, a fair tax program, public housing, and improved postal service, are not going to be accepted as such a mandate.

I am, however, satisfied to withhold the amendment I planned to introduce. Regardless of the opposition and statements on the floor today against twice-a-day deliveries, Mr. Summerfield now intends to take steps to restore this service.

I wish to conclude my remarks by reading statements of Postmaster General Arthur E. Summerfield and William C. Doherty, president of the National Association of Letter Carriers:

STATEMENT BY MR. SUMMERFIELD

There is no easy solution to the problem of improving mail service. It involves better collection, distribution, transportation, and delivery of mail.

Our objective is to get a letter from the sender to the receiver in the fastest possible time.

Our studies so far clearly indicate that the problem is one of collection, distribution, and transportation and not primarily of additional deliveries. For example, by making later collections in Washington, 56,000 pieces of mail a day are being delivered 24 hours earlier than they would have been. No amount of deliveries would have had that result.

This being so, we think it would be downright dishonest to take the easy course and recommend restoration of two deliveries a day at a minimum cost of \$80 million a year to the taxpayer.

I would like to make it absolutely clear, however, that we have a completely open mind on the eventual restoration of two deliveries. It could well be that our studies will show that in some areas of the country, due to population shifts, two deliveries should be reinstituted as quickly as possible.

I have stated from the beginning that this problem along with all the service problems of the post office establishment will receive unprejudiced scrutiny and we will be guided by the facts. If our studies show that two deliveries are necessary, we will be the first to join with you in requesting the appropriation necessary for effecting the change.

In the meantime, we will keep you advised of the progress and will be happy to receive any information you may have which bears on this problem.

STATEMENT OF WILLIAM C. DOHERTY

Postmaster General Summerfield's policy statement on his immediate and long-range

program for restoration of postal services has the complete support of the National Association of Letter Carriers.

Letter carriers have been organized for 64 years. During all that time one of their primary objectives has been "the constant improvement of the postal service, in conjunction with the Post Office Department." They have never forgotten that fundamental objective. They are not now going to lose sight of that aim.

We have never supported a policy of squandering public funds on nonessential Federal projects. It must be remembered that letter carriers are also taxpayers. And while we do not agree with the \$80 million estimated cost of restoring two mail deliveries, at the same time we realize that Congress must appropriate whatever funds are required to reinstitute good postal service.

We feel very strongly that swift, dependable, and frequent mail service is an essential part of our American scene. A good postal system has been one of the most important contributing factors in the greatness of our Nation. Nothing should be done to halt postal progress. When you slow down mail service you also halt progress on every other front.

The Postmaster General's statement promises two things, both of which are extremely important to letter carriers: The promise is made to study the problem and reinstitute two mail deliveries wherever it can be done as quickly as possible.

The second is almost without precedent in recent postal history. It is Mr. Summerfield's determination to consult with employee representatives. The National Association of Letter Carriers welcomes the opportunity to discuss with the Postmaster General and his staff the improvement of mail service, and all other problems of the postal establishment.

Mr. CANFIELD. Mr. Chairman, I yield 3 minutes to the gentleman from Kansas [Mr. REES], the chairman of the legislative Committee on Civil Service and Post Office.

Mr. REES of Kansas. Mr. Chairman, first I want to commend the chairman of the committee and the ranking minority member of the committee on their fine statements and forthright explanations of the legislation. I agree with both of them with respect to the compliments they pay to the Post Office Department, the Postmaster General, Mr. Summerfield, and those who are associated with him in an effort to really render a businesslike administration to the people of this country. The Postmaster General together with his assistants and others associated with him are doing a real constructive job.

For just a few minutes I should like to direct your attention to section 301, which I submit again is legislation on an appropriation bill. I am not opposed to it because the purpose is a good one, to keep off the Federal payroll those who believe in the right to strike against the United States or overthrow our Government by violence. At the same time, I want the record to show clearly I am not one of these who think the end justifies the means—either in making appropriations or performing any other governmental function.

I am not going to object to this proviso, secondly, because I have introduced legislation which will write into permanent law everything that is in this bill plus additional provisions which will afford really adequate safeguards for the

internal security of the United States so far as concerns the hiring of Government employees. My bill, for the first time, will provide by law for a comprehensive and reasonably uniform program for keeping disloyal persons off the public payroll.

I have stood by and watched piecemeal legislation—much of it in appropriation acts—and hit or miss administrative efforts to cope with this problem of the Government feeding some of its own worst enemies out of the Public Treasury. It would be charitable to describe the success of these efforts as merely indifferent. I have introduced my bill so that we can be done once and for all with halfway measures, and through decisive legislative action put forth a concerted, joint effort on a broad front to take care of this situation.

I am not going to object to this proviso in the post office appropriation bill, thirdly, because I fully expect that my bill will have been enacted into law before this appropriation bill comes out of the Senate, thus making the proviso unnecessary.

My bill will establish a vigorous, hard-hitting governmentwide program which will effectively close the entire Federal payroll—not merely this department or that agency or the other bureau, as has been the case heretofore—to those who are disloyal or who believe in strikes against the Government or overthrow of the Government by violence.

My bill will not set up any new and complicated investigative procedure. Existing law and Executive orders, or those enacted or issued in the future, will be used. However, at present there is no permanent, comprehensive procedure set forth in the law covering loyalty of Federal employees. The only provisions concerning overthrow of the Government by force or strikes against the Government appear in annual appropriation acts. In my judgment, these matters are the direct responsibility of Congress and should be acted on in the form of permanent legislation.

This legislation which I have introduced today will make it a crime punishable by fine or imprisonment, or both, for any person to accept employment in the executive branch if he, first, knows or has been notified in writing by proper authority that there is reasonable doubt of his loyalty based on an investigation required by law or Executive order; second, engages in activities which under any law or Executive order reflect adversely on his loyalty or belongs to any organization which engaged in such activities; third, advocates overthrow of the Government by force or belongs to any organization which advocates overthrow of the Government by force; or, fourth, engages or has engaged in a strike against the United States or belongs to an organization which advocates the right to strike against the United States. No such person shall be paid for any service he might render. An affidavit will be accepted as prima facie evidence that he has not violated these prohibitions, but his loyalty will be investigated as required by law or Executive order.

Under this legislation which I have introduced, the appointment or paying of any person prohibited from Federal employment will be made a crime if it is done knowingly. Thus, it will penalize not only acceptance of Federal employment by persons who are disloyal or believe in the right to strike against the Government, but it will also penalize Government officials who wrongfully appoint such persons. This last point should be particularly emphasized, because now, for the first time, a duty will be imposed on appointing officers to do their part to protect the security of the United States in the employment of these persons who are prohibited from holding Government positions.

It is recognized that need will arise for the making of exceptions for individuals, agencies, or groups under proper supervision. Accordingly, the President will be authorized to provide for the exemption of specified persons from this legislation when he deems such exemption to be in the national interest.

Mr. LANTAFF. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Florida.

Mr. LANTAFF. May I ask the distinguished chairman of the committee whether or not in connection with the so-called postal deficit the Postmaster General has indicated any intention of sending to the Congress and to the gentleman's committee a bill for the revision of the second- and third-class postal rates, which we had under consideration last year?

Mr. REES of Kansas. He has not officially given us such notice, but I may say to the gentleman he is deeply concerned with respect to the fact that there is so much of a deficit in those areas. It is my opinion that some suggestions will be offered in the near future by the Postmaster General. I cannot speak officially, but I know he is very much interested and is giving the matter very careful consideration at the present time. I want to say, too, that I very greatly appreciate the gentleman's inquiry, because he is a former member of our committee and was a distinguished member of our group. He was most helpful when he was a member of our committee.

Mr. CANFIELD. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. CURTIS].

Mr. CURTIS of Massachusetts. Mr. Chairman, I thank the gentleman for yielding me this time. I want to go back to the discussion which took place some time ago about the star route mail contracts. There has been a great deal of interest in that matter in my district. I would like to ask the gentleman a question. Is the committee satisfied with the procedure being adopted by the post office in making these so-called spot checks of these contracts? I understand it is their procedure, Mr. Chairman, that when they put these contracts up for rebidding, they advertise the amount that is being currently paid by the holder of the contract. It seems to me that is a great hardship on those people who now have these contracts. I know of the case of a man who has a

contract at the present time. He applied for a new contract and thought he was going to get it. There was no question of reopening it. The man bought new equipment, and now the contract is being advertised again, and the competitors are being told what he has been receiving on that contract. That, sir, is not the usual way of bidding on contracts; and this question of mine is also in the nature of a protest on such procedure.

Mr. CANFIELD. May I say to the gentleman from Massachusetts we posed this question when the men from the Department were before us:

Does the action of the Department mean a return to cutthroat bidding?

The answer was:

This is not the case. It has been stated repeatedly that present contractors have nothing to fear if their service has been satisfactory, and the current contract rate is fair and reasonable to all concerned.

If there is a difference of \$100 or \$200, the contractor obviously is not going to lose, but if there has been a 300-percent or a 400-percent increase and a case similar to the situation where there was an increase of 1,800 percent, it is going to be reviewed and undoubtedly the contractor will lose his contract.

Mr. CURTIS of Massachusetts. I thank the gentleman for his information.

Mr. DONOHUE. Mr. Chairman, I submit that any small economy achieved at the great price of disheartened employees and low public morale is indeed a false and impractical economy. I very deeply believe that such has been the case during the prevailing postal delivery curtailment practice.

Prompt postal delivery has been traditionally accepted by the American people as an essential public service. It is essential to good business relationships as well as family relationships. No one can guess how many satisfactory business deals have collapsed because an important letter arrived too late. The Lord only knows how many mothers' and fathers' hearts have endured prolonged suffering because of the delay in the delivery of a letter from their boy or girl in the military service. Let us be mindful, also, of the great many thousands of our fighting men who are still in foreign lands and whose major inspiration and comfort is derived from a letter from home. It is authoritatively admitted that the current reduction of mail service has promoted an unfortunately widespread loss of morale, not only among the general public here at home, but among our military personnel.

On top of this public morale loss is imposed the disheartenment existing among the postal employees from circumstances beyond their control. Not yet afforded a cost-of-living salary increase proportionate to private industry scales—which I hope will soon occur as a matter of justice—they are forced to carry on their work today under increasing hardships and burdens.

Under the 1 delivery order a day a great any of the employees must arise at 4 o'clock in the morning to get to the office in time to set up the extraordinarily heavy mail load they must carry

throughout their route. As you know, they deliver this mail in all types of weather and to all kinds of out-of-the-way places, no matter how heavy it is. As faithful public servants, they exert every effort to carry out their orders. They must eat their lunches wherever they happen to be at noon. In residential and outlying areas, where there are no restaurants, they must hurriedly eat their sandwiches on the sidewalks or roadside, as the case may be. It is little wonder that, although they valiantly carry on, there is no song in their hearts as they fulfill a day of unnecessary physical and mental hardship, with all the sickness and accident possibilities accompanying that type of work.

Mr. Chairman, the postal employees are not and never have been surpassed in honorable and faithful duty performance by any other group of Government workers. They are certainly eminently deserving of humane treatment, and the American public is preeminently entitled to prompt mail deliveries. Certainly if we can afford charitable gestures to the tune of billions of dollars to aid foreign nations and peoples, we can and should take care of our own. Curtailed mail-delivery service has proved to be a most impractical, unwise, and uneconomical experiment; it is high time that we corrected that error by restoring the traditional custom of two mail deliveries a day to every American home and business.

TIME FOR A CHANGE

Mr. MULTER. Mr. Chairman, the clarion call for a change rang loud and often from Republican circles during the recent campaign.

The voters who answered that call, however, never expected the changes they are getting.

Eviscerating the civil-service system, economizing by bookkeeping ledgerdom, stopping inflation by boosting costs, conserving our natural resources by giving them away, and bundles for billionaires by depressing the bond market are noteworthy changes that were not promised.

Now come the changes in the campaign promises.

The Republican Party platform carried this absolute direct pledge to the American people:

We pledge a more efficient and frequent mail-delivery service.

This pledge was repeated by President Eisenhower when he addressed the convention of the National Association of Letter Carriers in New York City on September 1, 1952, when he declared:

There is just one criterion here: The finest mail service we can get for the least economic cost. That is exactly the thing that will be applied, and that will mean that the Republican program will be carried out to the letter with the greater frequency of service and with the greatest possible efficiency.

In accepting the nomination as Postmaster General, Mr. Arthur E. Summerfield declared:

The improvement of all branches of the Department and the increase of its morale will be my paramount objectives in the public interest. We will operate the postal sys-

tem at it should be operated—in the service of the people and as their most vital means of all-important communications. I, too, like you, am interested in two-a-day deliveries.

But let us not be naive. No one, but the guillible, has any right to expect performance of those promises.

The enactment of this appropriation bill without provisions for the funds with which to carry out those pledges, will sorely disappoint the postal employees of the Nation, but more important, it will point up for American people what they can expect from the majority party, that is the majority for the present, but not for too long, I trust.

Mr. CANFIELD. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

For necessary expenses of the Bureau of Customs, including examination of estimates of appropriations in the field; expenses of attendance at meetings of organizations concerned with the purposes of this appropriation; purchase of 50 passenger motor vehicles for replacement only; arms and ammunition; services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a); and not to exceed \$1,220,000 for personal services in the District of Columbia exclusive of 10 persons from the field force authorized to be detailed under law (19 U. S. C. 1525); \$40,500,000.

Mr. JAVITS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I first want to ask the chairman of the subcommittee a question about this Bureau of Customs, and then would like to address myself to this two-a-day mail question. First on this subject of customs: Can the gentleman assure us, because I have been asked questions by some of the customs people in New York, that it is not the intention by the cut of approximately \$1,500,000 in this item to reduce essential services with respect to customs inspections, customs receipts, and narcotics inspections, and so forth, but that the committee feels that the job that is being done can be done with full effectiveness, and that if the committee is shown any good reason why it is not being done with full effectiveness, the committee is perfectly prepared to look at that reason sympathetically?

Mr. CANFIELD. That statement is true.

Mr. JAVITS. On this two-a-day mail delivery, Mr. Chairman, I could not help but hear my friend, the gentleman from Virginia, compare the cities with the country and tell us that all was good in Richmond. Well, all is not good in New York about postal deliveries and the people do not like the present system.

New York has 8 million people, and it pays far more than its proportion populationwise of the revenues which go into the Federal Treasury. This is something which many of us here in the Congress, from time to time, forget. Also, something which some are inclined to overlook, is the contribution of the proportion of 8 million to the Americans who serve in the Armed Forces of the United States. New York is not alone a business and port center, but also a

great educational, cultural, and research center of the United States. This is a pride to us all, and we should recognize it.

So I think it is only fair to say there is great dissatisfaction with this one-a-day mail delivery in New York. I see my friends from Boston, Detroit, Pittsburgh, Chicago, Atlanta, San Francisco, and all other big cities about to take the floor, and I might hasten to add that I feel the same way about the contribution to our country of the other big cities. There is a tendency on the floor sometimes to put the big cities aside and to forget their enormous contribution to the country.

The dissatisfaction about this one-a-day mail residential delivery is in one respect: That there are many business concerns in residential areas. Those business concerns are suffering seriously because they get only one-a-day mail delivery. There are many business concerns in my particular district, which is a residential district. Those are all small businesses; business concerns in residential areas are all small businesses.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Virginia.

Mr. GARY. I assume that those are the stations which the Postmaster General referred to in his letter, which he said he would attempt to clear up. Frankly, I have always maintained with Postmaster General Donaldson and with the present Postmaster General that wherever business enterprises are not getting adequate service they should have it, because there is all the difference in the world between business and residential. My remarks are limited to residential sections. I do not believe a residential section in a city is any different from a residential section anywhere in the country.

Mr. JAVITS. Certainly, we have one point already conceded, and that is that where there are business concerns mixed in residential areas, they should have improvement in mail service.

Second, in the residential areas in the city the people are in a very difficult position with respect to appointments for jobs, notifications of various kinds, and the difficulties city people have found are the uncertainty of when they are going to get this one mail delivery. Many people have missed important things in the way of jobs because their one delivery a day did not come at 8, 9, or 10 o'clock in the morning but it came late in the afternoon. Those are some of the things the Postmaster General should look into.

Now, in this question of money. The gentleman from Virginia [Mr. GARY] said \$80 million will be added to the cost to improve this residential delivery service, and it would come out of the taxpayers.

I have before me the record of hearings of the committee, and I find that the only class of mail that is making any money is first-class mail. That is making \$52 million a year, which is almost enough to cover any deficit that might be created in giving the residential sec-

tions who get first-class mail the service which they have been getting for years and to which they are entitled.

Let us see what is losing money. Second-class mail—newspapers and periodicals. Third-class and fourth-class mail, and they are losing a great deal of money; just about the amount of this deficit. According to these figures, they are losing about \$690 million. It is about a \$700 million deficit. Therefore, what the city people, who are complaining about this one-delivery service, are suffering from, and what the post-office employees, who complain they are not getting paid enough—and they are not—is not to be repaired at the taxpayers' expense.

The CHAIRMAN. The time of the gentleman from New York has expired.

(By unanimous consent, Mr. JAVITS was granted 2 additional minutes.)

Mr. JAVITS. It is not the taxpayers they are complaining about. They are complaining about the second-, third-, and fourth-class mail free ride at their expense, at the expense of the residential deliveries, and at the expense of the post office employees. That is the nub of this discussion.

The gentleman from Louisiana [Mr. PASSMAN] put his finger on the question. When we get this rate schedule straightened out as it should be, so that second-, third-, and fourth-class mail bears the same part of the burden as the first-class mail, which is paying more than its share, then we will find these problems easy of correction, and it would not come out of the taxpayers' pocket, and, indeed, it need not come out of the taxpayers' pocket.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield.

Mr. GARY. I have been fighting on this floor for a long time for an increase in rates to make these various classes self-sustaining, but there is a great deal of talk about first-class mail being self-sustaining. I seriously question whether at the present time it is self-sustaining.

The figures the gentleman has are Post Office figures, and they are accurate; but they are based on experiences prior, in my judgment, prior to the last increase in the salaries of the postal employees. The Post Office Department is now making another cost survey, and I think the gentleman is going to find before that survey is over, that even first-class mail is not completely paying its way.

Mr. JAVITS. All I can say to the gentleman is that if it is argued from these figures as a fact that second-, third-, and fourth-class mail is not paying its way it is as much to be argued from the same figures as a fact that first-class mail is more than paying its way.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield.

Mr. CANFIELD. The record of the New York City post office is not good. I am sure the gentleman in the well of the House has read in the metropolitan press of the current effort being made by the new postmaster to remedy that situation.

Mr. JAVITS. My friend, Hon. Harold Riegelman, the new acting postmaster of New York, will remedy it if anyone can. He is a splendid and able man with a great record of achievement. But I think we are never going to get a real improvement in the deficit situation until we realistically face the fact that these very low rates on second-, third-, and fourth-class mail have got to be eliminated.

Mr. GRAY. Mr. Chairman, I wonder if we could not get an agreement at this point that the bill be considered as read and open to amendment.

Mr. CANFIELD. Mr. Chairman, I think we can agree on that. I now ask unanimous consent that the remainder of the bill be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. ROOSEVELT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROOSEVELT: Section 302 at page 14, line 20, is hereby redesignated "Section 303"; after line 19, page 14, add the following new section:

"Sec. 302. When this bill shall have passed the House of Representatives and the Senate and shall have been presented to the President for his approval, the President shall have power to disapprove any item or items contained in this bill, in the same manner and subject to the same limitations as he may, under article 1, section 7 of the Constitution of the United States, disapprove as a whole any bill which shall have been presented to him for his approval. The provisions of such section 7, which relate to the reconsideration, shall also apply to any item or items so disapproved to the same extent as they apply to a bill that has been disapproved by the President."

Mr. CANFIELD. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. CANFIELD. Mr. Chairman, I make the point of order against the amendment that it is legislation on an appropriation bill.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman reserve the point of order until I can be heard on my amendment?

Mr. CANFIELD. Mr. Chairman, I reserve the point of order.

The CHAIRMAN. The gentleman from New York is recognized.

Mr. ROOSEVELT. Mr. Chairman, during general debate I explained the purposes of this amendment and its historical background. No lesser authority than the senior Senator from Illinois, Senator PAUL DOUGLAS, has written an article which I have here.

Senator DOUGLAS has estimated that because we do not have a Presidential item veto about \$4 billion a year of the taxpayers' money is wasted on various projects which are not in the national interest in an hour of emergency such as we now face.

This year we will probably be asked to cut over \$5 billion from our military defense budget. We are being called upon to reduce very drastically our contributions to the military efforts of our

allies in Western Europe and other parts of the free world. We are being called upon to reduce very drastically our contribution to the military buildup of our allies in Western Europe, to the extent of a reduction of some \$2 billion. Here we could save the same amount of money by eliminating some of the pork-barrel legislation that this Congress passes year in and year out.

I am not the first one to suggest this. The suggestion was first made by Senator Vandenberg several years ago who proposed it as a constitutional amendment. It was suggested by President Roosevelt that the same objective could be achieved by insertion of language such as I have offered, which was originally written by Senator Vandenberg, to be attached to each appropriation bill.

I know my rules, Mr. Chairman, and I recognize that it is quite probable the Chair will hold this is legislation on an appropriation bill, but, Mr. Chairman, when you wanted to legislate on an appropriation bill to eliminate public housing you did it. When it comes to legislation on an appropriation bill to save \$4 billion of the American taxpayers' money through pork-barrel legislation, oh, no, you would like to squander it because you think that helps you come next election day.

If we are really interested in economy, if we are really interested in the national welfare of this country, if we are really interested in building up the military security of this country and cutting out the waste, let us see who will make the point of order that this is legislation on an appropriation bill.

Mr. Chairman, this is a test and it is a test that I intend to offer on every single appropriation bill that comes before this House during the present session of Congress. I hope it will call the attention of the people through the slow process of being offered over and over again to who is for real economy and who is for pork-barrel legislation.

Mr. OLIVER P. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman from Ohio.

Mr. OLIVER P. BOLTON. I happen to be new in the House and, therefore, not too fresh on the history of the Members here. May I inquire, has this provision been adopted in the method in which the gentleman suggests here by himself or any other Member of the House in the last 20 years?

Mr. ROOSEVELT. No, it has not. I have had pending for the last three Congresses legislation which would require the Appropriations Committee to put this language in every appropriation bill, but it has never been reported out of the committee. I might add for the gentleman's information this is a completely nonpartisan proposition. It was first suggested by Senator Vandenberg and supported by Members on both sides of the aisle. This has nothing to do with partisan politics. It is a question of who wants to save the taxpayers money on projects which do not involve the national interest.

Mr. CANFIELD. Mr. Chairman, I insist on my point of order, and may I

add this: The gentleman from New York states: Let us see who makes the point of order. The gentleman from New Jersey, chairman of the committee, makes the point of order, and, incidentally, the gentleman from New Jersey has gone down the line, right straight down the line, for public housing. If I am not mistaken, when the gentleman from New York made his maiden speech on the floor of this House it was a speech in behalf of public housing and it was a very good one. I followed it, I commended the gentleman for that speech and he knows I am a friend of public housing.

Mr. Chairman, I renew my point of order that it is legislation on an appropriation bill. The gentleman from New York says he has introduced bills which have been referred to appropriate legislative committees. His proposal is not for the consideration of this committee under long established rules of procedure. It is for the consideration of the proper legislative committees.

The CHAIRMAN. Does the gentleman from New York desire to be heard on the point of order?

Mr. ROOSEVELT. I do, Mr. Chairman. May I say that I regret it had to be one of my closest friends, one of my colleagues I admire the most, who felt it his duty as chairman of the subcommittee to make the point of order. I must say that he has been a staunch advocate of public housing, so my remarks in no way apply to him.

Mr. Chairman, I recognize the validity of the point of order, and I will not be surprised if the Chair rules me out of order, but in that case I propose to offer an alternate amendment to accomplish the same purpose.

The CHAIRMAN. The Chair is prepared to rule.

The Chair has carefully considered the amendment offered by the gentleman from New York [Mr. ROOSEVELT]. He is constrained, after due thought and deliberation, to hold that it is a violation of rule XXI, section 2, of the rules of the House and is legislation upon an appropriation bill.

The Chair sustains the point of order.

Mr. ROOSEVELT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROOSEVELT: Section 302 at page 14, line 20 is hereby redesignated "Sec. 303"; after line 19, page 14, add the following new section:

"Sec. 302. For all intents and purposes, each section or item of appropriation of this bill shall be deemed to be a separate bill, and shall be subject to approval or disapproval by the President as though contained in a separate bill."

Mr. CANFIELD. Mr. Chairman, I raise the same point of order, being legislation on an appropriation bill. It is a proposition to establish affirmative directions for an executive officer.

The CHAIRMAN. Does the gentleman from New York desire to be heard?

Mr. ROOSEVELT. Yes, Mr. Chairman.

In this instance, I have tried to effect the same net result as we do in other legislation where we provide for the separability of individual sections of an

act where there is a possibility of court review and therefore the holding by the courts of a particular section as being invalid. I feel that this deals directly with each section, and therefore making that section a separate act we are not giving the President any more authority than he has if we consider this entire bill as one act. He has the right to veto or approve each separate appropriation bill or act, and if by this amendment we divide this act into separate bills, we are not adding to the President's authority thereby and therefore, his constitutional authority.

The CHAIRMAN. The Chair is prepared to rule. Again, the Chair has carefully considered the amendment offered by the gentleman from New York [Mr. ROOSEVELT]. The statement made in support of the amendment is that it applies to legislative bills. This is an appropriation bill and the matter of separability does not enter into it. Therefore, the Chair rules that it is legislation on an appropriation bill and sustains the point of order.

Mr. ROONEY. Mr. Chairman, I take advantage of this opportunity primarily for the purpose of accentuating two matters which I brought up at the full House Committee on Appropriations meeting on this bill yesterday morning and which have been previously discussed here today.

The first matter is the omission of funds in this bill for reinauguration of the two-a-day mail delivery. While I fully realize that my friend and distinguished colleague, the able chairman of this Subcommittee on Appropriations, the gentleman from New Jersey [Mr. CANFIELD] has been a foremost advocate of the reinauguration of the two-a-day mail-delivery service, I must again point out that the action of the majority in this instance is in violation of the direct pledge made in the Republican Party platform of 1952 to the American people in which it was said:

We pledge a more efficient and frequent mail-delivery service.

This pledge was repeated by President Eisenhower when he addressed the convention of the National Association of Letter Carriers in New York City on September 1, 1952, when he declared:

There is just one criterion here: The finest mail service we can get for the least economic cost. That is exactly the thing that will be applied, and that will mean that the Republican program will be carried out to the letter with the greater frequency of service and with the greatest possible efficiency.

In accepting the nomination as Postmaster General, Mr. Arthur E. Summerfield declared:

The improvement of all branches of the Department and the increase of its morale will be my paramount objectives in the public interest. We will operate the postal system as it should be operated—in the service of the people and as their most vital means of all-important communications. I, too, like you, am interested in two-a-day deliveries.

It is my understanding that the National Association of Letter Carriers have agreed to let this matter stand for the time being in the hands of the Re-

publican leadership and I trust that it will be in the not too far distant future that we in the Borough of Brooklyn have the much needed two-a-day mail delivery once again.

The other matter to which I wish to address myself concerns the deep slash in funds for the Bureau of Customs which will mean the layoff of 335 employees of that Bureau, 110 of whom are now working in the port of New York. This pennywise pound-foolish action is being taken in the face of the following statistics which have been prepared by the New York branch of the National Customs Service Association which show the tremendous increase in customs' receipts and activities over the years:

CUSTOMS STATISTICS ON VOLUME OF BUSINESS AND NUMBER OF EMPLOYEES, PORT OF NEW YORK, COMPILED BY THE NEW YORK BRANCH, NATIONAL CUSTOMS SERVICE ASSOCIATION

The statistics compiled by the New York Branch National Customs Service Association, indicate a steady and sharp increase in the volume of customs business at the Port of New York ever since 1946. The figures also indicate a steady decrease in the number of employees used in collecting the revenues and performing various other duties involved in preventing smuggling and illegal importations of narcotics and other contraband, including harmful and dangerous drugs.

Between the fiscal years of 1946 and 1952, the customs receipts have increased approximately 43 percent, the number of formal entries approximately 128 percent, the number of mail entries 144 percent, the number of baggage entries approximately 227 percent, and the number of warehouse withdrawals 264 percent. The steady increase in the number of foreign aircraft arriving at the International Airport has made it necessary to detail a special group of employees to handle the increased amount of customs business at the airport occasioned by an increase of approximately 87 percent in the number of arrivals between the fiscal years of 1946 and 1952. In spite of the extremely high increase in the volume of customs business at the port of New York, the total number of employees was reduced by approximately 12 percent during the 7-year period.

A comparison of the first 9 months of the present fiscal year ending March 31, 1953, and the same period in the previous fiscal year indicates a steady increase in every phase of customs activities, with customs receipts showing an increase of 12 percent and the number of formal entries showing an increase of almost 20 percent. There has been a steady increase in the amount of customs business each month compared to the corresponding month of the previous year. This is graphically illustrated by the comparison of the figures for the last 2 months available, February 1953 and March 1953 with the corresponding months in 1952. The figures for the month of March are particularly interesting since they indicate an increase in general business of approximately 25 percent over the same period in the previous year. The fact that the number of employees has not been increased within the period of time indicated is an explanation for the ever-increasing backlog of work accumulating in the customs offices at the port of New York.

It should be pointed out that the amount of revenue collected is not in itself a true reflection of the greatly increased volume of imports because of the fact that during the past 7 years various trade agreements have greatly reduced rates of customs duties.

Although the work of the employees in the Customs Service has been increased from time by laws and regulations requiring the

customs personnel to perform new duties in connection with imported merchandise, such as import fees, quotas, import licenses, foreign assets control licenses, general trade agreements, and the imposition of 1930 tariff rates on merchandise from Communist-dominated areas, in addition, customs employees are required to perform special functions for other departments and agencies of the Government. At the present time customs employees at this port are required to do work for various divisions and bureaus

of the State Department, Treasury Department, Department of Agriculture, Department of Commerce, Department of Defense, Post Office Department, Department of the Interior, Federal Security Agency, Federal Communications Commission, Maritime Commission, Atomic Energy Commission, and others.

In spite of the new work imposed by new laws, Presidential proclamation, regulations, etc., additional funds, except for export control work, have not been provided.

TABLE I.—Number of employees, annual workload, 1946-52

	Number of employees	Customs receipts	Formal entries	Mail entries	Baggage entries	Other entries	Warehouse withdrawals	Vessels	Aircraft	Passengers
Fiscal year ending June 30—										
1946.....	3,166	201,906,152	142,003	79,508	159,859	198,198	49,188	5,587	8,460	891,796
1947.....	2,744	241,208,600	193,410	127,110	277,973	239,704	71,131	4,216	9,891	464,691
1948.....	2,908	232,795,090	196,868	142,348	379,742	297,435	98,866	4,666	12,269	588,779
1949.....	2,799	217,668,118	232,410	141,212	392,402	274,144	120,033	4,445	13,204	615,084
1950.....	2,755	224,686,250	270,654	148,492	445,004	307,931	149,435	4,462	13,311	734,897
1951.....	2,815	343,659,360	370,784	160,600	508,973	256,142	174,081	4,666	14,460	837,927
1952.....	2,772	290,209,060	323,063	193,644	522,362	253,745	179,163	5,211	15,853	916,881
Percentage increase or decrease, 1952 as compared with 1946.....	-12.44	+43.73	+127.5	+143.5	+226.75	+23	+264	-6.72	+8.7	+2.81

TABLE II.—Comparison, first 9 months of fiscal years 1952-53

	Number of employees	Customs receipts	Formal entries	Mail entries	Baggage entries	Other entries	Warehouse withdrawals	Vessels	Aircraft	Passengers
July 1-Mar. 31—										
1952.....	(1)	\$222,124,143	241,289	144,990	393,156	190,002	138,458	3,758	11,668	686,474
1953.....	(1)	\$249,866,745	287,473	159,343	423,002	201,306	139,102	4,076	12,411	701,227
Percentage increase.....		+12.12	+19.14	+9.9	+7.6	+6		+8.46	+0.36	+2.15

¹ Approximately same (2,772).

TABLE III.—Comparison (1 month) February 1952 with February 1953

	Number of employees	Customs receipts	Formal entries	Mail entries
February 1952.....	Approximately the same (2,772).....	\$21,055,699	25,442	14,832
February 1953.....	do.....	\$23,613,966	28,817	15,485
Percentage increase.....		+11.2	+13.26	+4.4

TABLE IV.—Comparison (1 month) March 1952 with March 1953

	Number of employees	Customs receipts	Formal entries	Mail entries
March 1952.....	Approximately the same (2,772).....	\$22,314,767	29,339	17,091
March 1953.....	do.....	\$28,800,564	36,632	20,357
Percentage increase.....		+29.06	+24.8	+19.11

In addition to the figures hereinbefore set forth, the New York Times within the past few days showed the comparison between figures for the month of April 1952 and the month of April 1953, wherein there is an increase as between those 2 months of over 30 percent.

The distinguished chairman of this subcommittee the gentleman from New Jersey [Mr. CANFIELD] has always been a champion of the customs service and its employees. We have worked together over the years. I am willing to accept his statements made here today with regard to the Bureau of Customs appropriations and trust that it shall not be required that that service be affected and that these employees be eliminated. For if such were to be done, instead of each and every bag and trunk being inspected upon arrival in the port of New York, the Bureau would have to resort to spot

checks and inspect merely 1 of every 10 pieces of baggage. The result of such a situation may easily be predicted. For one thing it would result in unprecedented smuggling of narcotics and contraband into the United States.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I shall not take any part of 5 minutes. I simply want to commend the committee for authorizing the expenditure of \$500,000 for expansion and renovation of the mail equipment shop in Washington. The mail equipment shop, as Members of the House probably know, makes canvas mail bags, repairs all mail bags, pouches, and so forth, used in the transportation of mail in the United States. I was a member of a subcommittee which last winter inspected the mail equipment shop in Washington. It badly needs ex-

pansion, and we found working conditions in the shop deplorable, particularly from the standpoint of dust and poor lighting. We suggested improvements and I hope that in the expansion and renovation program made possible by this appropriation due attention will be paid by the Post Office Department especially to the elimination of dust so that the workers will have more healthy conditions under which to work.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I am always glad to yield to the gentleman from Kansas.

Mr. REES of Kansas. I just want to pay tribute to the gentleman from Iowa who was chairman of the subcommittee which made that investigation and offered very constructive suggestions in respect to improvements. I think that he, as well as the members of his committee, did a good job.

Mr. GROSS. I thank the gentleman from Kansas [Mr. REES] for his kind observation. I would point out, however, that Mr. REES, as chairman of the House Post Office and Civil Service Committee, played a most important part in bringing this situation to the attention of the Appropriations Subcommittee.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. BENNETT of Florida. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I heard the splendid address of the gentleman from New York [Mr. ROOSEVELT]. I agree with him 100 percent as to the necessity for this country's having an item veto. I hope the committee which is studying this matter, the Committee on the Judiciary, will bring forth either a constitutional amendment or a statutory provision which will correct present inadequacies in the application of the veto power.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Florida. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. The gentleman says he is in full agreement with the gentleman from New York [Mr. ROOSEVELT]. Is he then in full agreement that the President should have complete control of the appropriations and thus give to the executive branch control which is not vested in it by the Constitution?

Mr. BENNETT of Florida. The answer to that question is "No."

Mr. H. CARL ANDERSEN. Certainly what the gentleman from New York [Mr. ROOSEVELT] suggests is part and parcel of the whole thing. The President, for example, could undo the work of my Appropriations Committee if he saw fit to do so, and throw out the whole triple-A program of the next year, in spite of the wishes of the Congress of the United States.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Florida. I yield to the gentleman from New York.

Mr. ROOSEVELT. Of course, the Congress does not give up its rights. The Congress would have the right to override such a stupid veto. The gentle-

man knows perfectly well the Congress would override that kind of a stupid veto.

Mr. H. CARL ANDERSEN. It would become rule by the minority here in the Congress of the United States.

Mr. BENNETT of Florida. This is not a partisan matter. It is a matter going back very deeply in the roots of the South. As far as I know, the first provision of this type was involved in a constitutional provision of the Confederate constitution. It was copied by a number of States immediately after that constitution was put into effect. At the present time only nine States of our Nation do not have an item veto. It is not a theoretical proposition, it is a very practical one. There has not been this abuse that has been spoken of.

We can look at what the States actually have done. Their governors have vetoed things and thus have saved a great deal of money for the various States. We could save a great deal of money for the United States if we had such a provision as this.

The first President who came out for this was Ulysses S. Grant. Presidents Rutherford B. Hayes, Chester A. Arthur, William Howard Taft, and Franklin D. Roosevelt were for it. In fact, practically all the great leaders who have given study to our Constitution and its provisions have been vigorously for it.

When our Constitution was drawn and our country was established, this concept was implied in the language they used. It was never contemplated when our country was founded that appropriations would be handled in the mass manner in which we are now appropriating money, covering infinite items in a single bill. It was contemplated we should appropriate so much money for each item, and that this item was to be the appropriation bill. Actually our practice lately has thwarted the Constitution. In having an item veto we would be returning to the very idea our forefathers had in drawing the Constitution.

I hope very much the Congress will seriously consider this matter, as I think it will save us a great deal of money and will be very beneficial for the financial safety of our Union.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GRAHAM, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5174) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1954, and for other purposes, pursuant to House Resolution 235, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

COMMITTEE ON APPROPRIATIONS

Mr. TABER. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations have until midnight tomorrow night to file a report on the Labor, Health, Education, and Welfare appropriation bill.

Mr. WHITTEN. Mr. Speaker, I reserve all points of order on the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

DEPARTMENT OF AGRICULTURE APPROPRIATIONS, 1954

Mr. H. CARL ANDERSEN, from the Committee on Appropriations, reported the bill (H. R. 5227) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1954, and for other purposes (Rept. No. 422) which was read a first and second time, and with the accompanying papers referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. WHITTEN reserved all points of order on the bill.

LEAVE OF ABSENCE

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent that our colleague the gentleman from California [Mr. HAGEN] be granted 2 days leave of absence in order to attend to official business.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

GENERAL LEAVE TO EXTEND

Mr. CANFIELD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks on the Treasury and Post Office Department appropriation bill.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

LEGISLATIVE PROGRAM FOR NEXT WEEK

(Mr. McCORMACK asked and was given permission to address the House for 1 minute.)

Mr. McCORMACK. Mr. Speaker, I ask for this time in order to inquire of the distinguished majority leader as to the program for next week.

Mr. HALLECK. A bill from the Committee on Banking and Currency which has been on the whip notice will be called immediately after I conclude this announcement.

Mr. McCORMACK. Might I inquire if there is anything in contest about that bill, so that the Members may be advised now?

Mr. PATMAN. If the gentleman will yield, I will say to the gentleman I expect to oppose the bill.

Mr. HALLECK. I understood the gentleman would oppose the bill. I do

not know how devastating that will be. Mr. PATMAN. I do not know either, but I hope the gentleman will not vote for the bill.

Mr. HALLECK. On Monday we will call the Consent Calendar and begin general debate on the Department of Agriculture appropriation bill.

Mr. McCORMACK. Are there any suspensions on Monday?

Mr. HALLECK. No. No suspensions. On Tuesday we have primary elections in Pennsylvania, and I understand most of the Pennsylvania Members want to be home for that. So on Tuesday we shall continue general debate on the Department of Agriculture appropriation bill, if it is not concluded on Monday, and will begin the reading of the bill and will continue the reading of the bill in Committee of the Whole under the 5-minute rule until such time as we get into a controversial section of consequence, at which time we would suspend consideration of the bill, in view of the Pennsylvania situation.

Mr. McCORMACK. By that you mean until the first amendment is offered?

Mr. HALLECK. Well, I would say it might involve some discretion as to just the consequence of the amendment. It is my understanding that there may be 2 or 3 rather controversial amendments of consequence, and I would not want to say that we would quit immediately on the offering of the first amendment, because it might be some amendment that could be disposed of without prejudice to the interest of anyone. But I shall be glad to keep in touch with the minority leader as we progress, and with the members of the Appropriations Committee on that side, and members on our side, so that he will not have any difficulty about that.

Mr. McCORMACK. The Private Calendar will be called on Tuesday?

Mr. HALLECK. The Private Calendar will be called on Tuesday. Then, on Wednesday we will continue with the Department of Agriculture appropriation bill and hope to conclude it as quickly as we can.

Then following that will be the Labor and Federal Security appropriation bill, and we hope to conclude it Thursday or Friday.

I might say to the gentlemen I have been informed that a great many Members are expecting to go out next week to witness an atomic blast in Nevada, but at the moment I am not inclined to believe there is any such controversy about the Labor and Federal Security appropriation bill as to prejudice them or embarrass them in connection with their trip out there.

Mr. H. CARL ANDERSEN. If any rollcalls are necessary on the Labor and Federal Security bill, could they be put over in that event until Monday, because, after all, about 100 Members will want to make that trip.

Mr. HALLECK. I understand that, but we will have an appropriation bill to follow immediately after that. I think all I can say at this point is that if a situation develops that might seem to indicate desirability to have the matter

go over until Monday, we can determine whether that should be done. I do not want to anticipate such a circumstance, but at this time I do not want to make a positive statement in that respect.

REVISION OF THE PAMPHLET ENTITLED "OUR AMERICAN GOVERNMENT"

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on House Administration, I call up the resolution (S. Con. Res. 24) and ask for its immediate consideration.

The Clerk read as follows:

Resolved by the Senate (the House of Representatives concurring), That the Joint Committee on Printing is hereby authorized and directed to revise, by bringing up to date, the pamphlet entitled "Our American Government" as set out in House Document 465, 79th Congress.

Sec. 2. Such revised pamphlet shall be printed as a Senate document, and there be printed 100,000 additional copies of which 24,750 copies shall be for the use of the Senate; 66,150 copies for the use of the House of Representatives; 3,100 for the Senate document room; and 6,000 for the House document room.

With the following committee amendments:

Page 1, line 7, strike out "one" and insert "five."

Page 1, line 8, strike out "24" and insert "30"; and in lines 8 and 9 strike out "750."

Page 1, line 10, strike out "66,150" and insert "460,900."

Mr. LECOMPTE. Mr. Speaker, I may state for the benefit of the Members that this is a reprint of the document known as "Our American Government" in question and answer form brought up to date. It provides for 500,000 copies for the use of the Members of the House and the Senate.

The SPEAKER. The question is on the committee amendments.

The committee amendments were agreed to.

Mr. PATMAN. Mr. Speaker, will the gentleman from Iowa yield?

Mr. LECOMPTE. I yield to the gentleman from Texas.

Mr. PATMAN. I just wanted to state that I am in complete accord with the objectives expressed in the resolution and shall be very glad to work on the revision of that document and get it ready as quickly as possible.

(Mr. PATMAN asked and was given permission to revise and extend his remarks.)

The SPEAKER. The question is on the resolution.

The resolution was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

MEMORIAL TO THE MARINE CORPS DEAD

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on House Administration, I call up the resolution (H. J. Res. 157) and ask for its immediate consideration.

The Clerk read as follows:

Resolved, etc., That the first section of the act authorizing the erection of a memorial to the Marine Corps dead, approved July 1, 1947 (61 Stat. 242), as amended, is amended by inserting after the words "District of Columbia" the words "or immediate vicinity."

Mr. LECOMPTE. Mr. Speaker, this resolution simply amends the previous resolution which authorized the erection of a Marine Corps memorial, and it amends it to the extent of permitting the commission to erect a memorial outside of the District of Columbia but in the immediate vicinity. The need for this amendment is the fact that the commission feels that it might be appropriate to erect that memorial across the river in Virginia. I might say that this memorial is the Iwo Jima Marine Corps memorial that has attracted a great deal of attention.

The resolution was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

FEDERAL RESERVE BRANCH BANK BUILDINGS

Mr. NICHOLSON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 230, and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4605) to amend section 10 of the Federal Reserve Act, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. NICHOLSON. Mr. Speaker, this rule makes in order consideration of the bill, H. R. 4605.

Mr. Speaker, I yield 30 minutes of my time to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, I yield 15 minutes to the gentleman from Texas [Mr. PATMAN].

(Mr. PATMAN asked and was given permission to revise and extend his remarks and include extraneous matter.)
NEW FEDERAL RESERVE BUILDINGS NOT NEEDED FOR FEDERAL RESERVE SYSTEM

Mr. PATMAN. Mr. Speaker, I know this bill is looked upon lightly; in fact, our distinguished majority leader referred to it in a very facetious way a while ago and said that it did not mean much and suggested that my opposition would mean less. But I want to invite your attention to certain things that I doubt the Members of Congress know about or have given serious consideration

83^d CONGRESS
1ST SESSION

H. R. 5174

IN THE SENATE OF THE UNITED STATES

MAY 15, 1953

Read twice and referred to the Committee on Appropriations

AN ACT

Making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1954, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 TITLE I—TREASURY DEPARTMENT

4 That the following sums are appropriated, out of any money
5 in the Treasury not otherwise appropriated, for the Treasury
6 Department for the fiscal year ending June 30, 1954,
7 namely:

1 OFFICE OF THE SECRETARY

2 SALARIES AND EXPENSES

3 For necessary expenses in the Office of the Secretary,
4 including the operation and maintenance of the Treasury
5 Building and Annex thereof; and the purchase of uniforms
6 for elevator operators; \$2,400,000.

7 BUREAU OF ACCOUNTS

8 SALARIES AND EXPENSES

9 For necessary expenses of the Bureau of Accounts,
10 \$1,800,000: *Provided*, That Federal Reserve banks and
11 branches may be reimbursed for necessary expenses incident
12 to the deposit of taxes in Government depositories.

13 SALARIES AND EXPENSES, DIVISION OF DISBURSEMENT

14 For necessary expenses of the Division of Disbursement,
15 \$11,000,000.

16 BUREAU OF THE PUBLIC DEBT

17 ADMINISTERING THE PUBLIC DEBT

18 For necessary expenses connected with any public-debt
19 or currency issues of the United States, \$50,000,000 to be
20 expended as the Secretary of the Treasury may direct, and
21 the Secretary is authorized to accept services without com-
22 pensation: *Provided*, That Federal Reserve banks and
23 branches may be reimbursed for expenditures as fiscal agents
24 of the United States on account of public-debt transactions
25 for the account of the Secretary of the Treasury: *Provided*

1 *further*, That the indefinite appropriation provided by section
2 10 of the Second Liberty Bond Act, as amended (31 U. S. C.
3 760), shall not be available for obligation during the current
4 fiscal year.

5 OFFICE OF THE TREASURER

6 SALARIES AND EXPENSES

7 For necessary expenses of the Office of the Treasurer,
8 \$17,000,000.

9 CONTINGENT EXPENSES, PUBLIC MONEYS

10 For the collection, safekeeping, transfer, and disburse-
11 ment of the public money and securities of the United States,
12 \$350,000.

13 BUREAU OF CUSTOMS

14 SALARIES AND EXPENSES

15 For necessary expenses of the Bureau of Customs, in-
16 cluding examination of estimates of appropriations in the
17 field; expenses of attendance at meetings of organizations
18 concerned with the purposes of this appropriation; purchase
19 of fifty passenger motor vehicles for replacement only;
20 arms and ammunition; services as authorized by section
21 15 of the Act of August 2, 1946 (5 U. S. C. 55a);
22 and not to exceed \$1,220,000 for personal services in the
23 District of Columbia exclusive of ten persons from the field
24 force authorized to be detailed under law (19 U. S. C.
25 1525); \$40,500,000.

1 BUREAU OF INTERNAL REVENUE

2 SALARIES AND EXPENSES

3 For necessary expenses of the Bureau of Internal
4 Revenue, including expenses, when specifically authorized
5 by the Commissioner, of attendance at meetings of organiza-
6 tions concerned with internal-revenue matters; purchase (not
7 to exceed one hundred for replacement only) and hire
8 of passenger motor vehicles; examination of estimates
9 of appropriations in the field; services as authorized by
10 section 15 of the Act of August 2, 1946 (5 U. S. C. 55a),
11 and of expert witnesses at such rates as may be determined
12 by the Commissioner; and ammunition; \$266,000,000:
13 *Provided*, That the amount for personal services in the
14 District of Columbia shall not exceed \$18,410,000.

15 BUREAU OF NARCOTICS

16 SALARIES AND EXPENSES

17 For necessary expenses of the Bureau of Narcotics, in-
18 cluding services as authorized by section 15 of the Act of
19 August 2, 1946 (5 U. S. C. 55a) ; hire of passenger motor
20 vehicles; arms and ammunition; and not to exceed \$10,000
21 for services or information looking toward the apprehension
22 of narcotic law violators who are fugitives from justice;
23 \$2,790,000.

1 UNITED STATES SECRET SERVICE

2 SALARIES AND EXPENSES

3 For necessary expenses of the United States Secret Serv-
4 ice, including purchase (not to exceed twenty for replace-
5 ment only) and hire of passenger motor vehicles; and
6 arms and ammunition; \$2,500,000.

7 SALARIES AND EXPENSES, WHITE HOUSE POLICE

8 For necessary expenses of the White House Police, in-
9 cluding uniforms and equipment, and arms and ammunition,
10 purchases to be made in such manner as the President may
11 determine, \$630,000.

12 SALARIES AND EXPENSES, GUARD FORCE

13 For necessary expenses of the guard force for Treasury
14 Department buildings in the District of Columbia, including
15 purchase, repair, and cleaning of uniforms; and arms and
16 ammunition; \$375,000.

17 BUREAU OF THE MINT

18 SALARIES AND EXPENSES

19 For necessary expenses of the Bureau of the Mint,
20 including arms and ammunition; purchase and maintenance
21 of uniforms and accessories for guards; purchase of one
22 passenger motor vehicle (for replacement only) ; examina-
23 tion of estimates of appropriations in the field; and not to

1 exceed \$1,000 for the expenses of the annual assay com-
2 mission; \$4,700,000.

3 COAST GUARD

4 OPERATING EXPENSES

5 For necessary expenses for the operation and mainte-
6 nance of the Coast Guard, not otherwise provided for, includ-
7 ing services as authorized by section 15 of the Act of
8 August 2, 1946 (5 U. S. C. 55a) ; purchase of not to exceed
9 thirty-two passenger motor vehicles for replacement only;
10 maintenance, operation, and repair of aircraft; recreation and
11 welfare; and examination of estimates of appropriations in
12 the field; \$188,250,000: *Provided*, That the number of air-
13 craft on hand at any one time shall not exceed one hundred
14 and thirty-seven exclusive of planes and parts stored to meet
15 future attrition: *Provided further*, That (a) the unobligated
16 balance of appropriation to the Coast Guard for the fiscal
17 year 1953 for "Operating expenses" shall be transferred on
18 July 1, 1953, to the account established by the Surplus
19 Fund-Certified Claims Act of 1949 for payment of certified
20 claims; (b) amounts equal to the unliquidated obligations
21 on July 1, 1953, against the appropriation "Operating ex-
22 penses", fiscal year 1953, and the appropriation for "Operat-
23 ing expenses" for the fiscal year 1952 which was merged

1 therewith pursuant to the Treasury Department Appropria-
2 tion Act, 1953, shall be transferred to and merged with
3 this appropriation, and such merged appropriation shall be
4 available as one fund, except for accounting purposes of the
5 Coast Guard, for the payment of obligations properly in-
6 curred against such prior year appropriations and against
7 this appropriation, but on July 1, 1954, there shall be
8 transferred from such merged appropriation to the appro-
9 priation for payment of certified claims (1) any remaining
10 unexpended balance of the 1952 appropriation so trans-
11 ferred, and (2) any remaining unexpended balance of the
12 1953 appropriation so transferred which is in excess of the
13 obligations then remaining unliquidated against such appro-
14 priation: *Provided further*, That except as otherwise author-
15 ized by the Act of September 30, 1950 (20 U. S. C. 236-
16 244), this appropriation shall be available for expenses of
17 primary and secondary schooling for dependents of Coast
18 Guard personnel stationed outside the continental United
19 States in amounts not exceeding an average of \$250 per
20 student, when it is determined by the Secretary that the
21 schools, if any, available in the locality are unable to provide
22 adequately for the education of such dependents, and the
23 Coast Guard may provide for the transportation of said de-

pendents between such schools and their places of residence when the schools are not accessible to such dependents by regular means of transportation.

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

For necessary expenses of acquisition, construction, rebuilding, and improvement of aids to navigation, shore facilities, vessels, and aircraft, including equipment related thereto; and services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a) ; \$2,500,000, to remain available until expended.

RETIRED PAY

For retired pay, including the payment of obligations therefor incurred during prior fiscal years, \$18,600,000.

RESERVE TRAINING

For all necessary expenses for the Coast Guard Reserve, as authorized by law (14 U. S. C. 751-762; 37 U. S. C. 231-319), including expenses for regular personnel, or reserve personnel while on active duty, engaged primarily in administration of the reserve program; and the maintenance, operation, and repair of aircraft; \$2,500,000: *Provided*, That (a) the unobligated balance of appropriation to the Coast Guard for the fiscal year 1953 for "Reserve training" shall be transferred on July 1, 1953, to the account established by the Surplus Fund-Certified Claims Act of 1949 for payment of certified claims; (b) amounts equal to

1 the unliquidated obligations on July 1, 1953, against the
2 appropriation "Reserve training", fiscal year 1953, and
3 the appropriation "Reserve training", fiscal year 1952 which
4 was merged therewith pursuant to the Treasury Depart-
5 ment Appropriation Act, 1953, shall be transferred to and
6 merged with this appropriation, and such merged appropri-
7 ation shall be available as one fund, except for accounting
8 purposes of the Coast Guard, for the payment of obligations
9 properly incurred against such prior year appropriations and
10 against this appropriation, but on July 1, 1954, there shall
11 be transferred from such merged appropriation to the ap-
12 propriation for payment of certified claims (1) any remain-
13 ing unexpended balance of the 1952 appropriation so trans-
14 ferred and (2) any remaining unexpended balance of the
15 1953 appropriation so transferred which is in excess of the
16 obligations then remaining unliquidated against such
17 appropriation.

18 SEC. 102. This title may be cited as the "Treasury
19 Department Appropriation Act, 1954".

20 TITLE II—POST OFFICE DEPARTMENT

21 For administration and operation of the Post Office
22 Department and the postal service, there is hereby appro-
23 priated the aggregate amount of postal revenues for the
24 fiscal year ending June 30, 1954, as authorized by
25 law (39 U. S. C. 786, 794a), together with an amount

1 from any money in the Treasury not otherwise appropriated,
2 equal to the difference between such revenues and the total
3 of the appropriations hereinafter specified and the sum needed
4 may be advanced to the Post Office Department upon requi-
5 sition of the Postmaster General, for the following purposes,
6 namely:

7 GENERAL ADMINISTRATION

8 For expenses necessary for general administration of the
9 postal service, operation of the inspection service, and the
10 conduct of a research and development program, including
11 services as authorized by section 15 of the Act of August 2,
12 1946 (5 U. S. C. 55a) ; at least \$250,000 to be available
13 exclusively for procurement by contract of things and services
14 related to design, development, and construction of equip-
15 ment used in postal operations, and for contracts for manage-
16 ment studies; rewards for information and services concerning
17 violations of postal laws and regulations, current and prior
18 fiscal years, in accordance with regulations of the Postmaster
19 General in effect at the time the services are rendered or
20 information furnished; and expenses of delegates designated
21 by the Postmaster General to attend meetings and congresses
22 for the purpose of making postal arrangements with foreign
23 governments pursuant to law; and the expenses of delegates
24 provided for herein and not to exceed \$20,000 for rewards,
25 as provided for herein, shall be paid in the discretion of the

1 Postmaster General and accounted for solely on his certificate;
2 \$22,000,000.

3 POSTAL OPERATIONS

4 For expenses necessary for postal operations, not other-
5 wise provided for, and for other activities conducted by the
6 Post Office Department pursuant to law, including at least
7 \$500,000 to be available exclusively for manufacture and
8 procurement of improved devices for postal operations and
9 other activities; storage and repair of vehicles owned by,
10 or under control of, units of the National Guard and de-
11 partments and agencies of the Federal Government where
12 repairs are made necessary because of utilization of such
13 vehicles in the postal service, and not in excess of \$500,000
14 to carry out the purposes of Public Law 513, approved
15 July 11, 1952; \$2,229,450,000: *Provided*, That not to
16 exceed 5 per centum of any appropriation available to
17 the Post Office Department for the current fiscal year may
18 be transferred, with the approval of the Bureau of the Budget,
19 to any other such appropriation or appropriations; but the
20 appropriation "General Administration" shall not be in-
21 creased by more than \$10,000,000 as a result of such trans-
22 fers: *Provided further*, That functions financed by the ap-
23 propriations for the current fiscal year for "General Ad-
24 ministration" and for "Postal Operations," and the amounts
25 appropriated therefor, may be transferred, in addition to

1 the appropriation transfers otherwise authorized in this Act
2 and with the approval of the Bureau of the Budget, between
3 such appropriations to the extent necessary to improve
4 administration and operations.

5 TRANSPORTATION OF MAILS

6 For payments for transportation of domestic and foreign
7 mails by air, land, and water transportation facilities, includ-
8 ing current and prior fiscal years settlements with foreign
9 countries for handling of mail; and for expenses, exclusive
10 of personal services, necessary for operation of Govern-
11 ment-owned highway post office transportation service;
12 \$573,620,000.

13 CLAIMS

14 For settlement of claims, pursuant to law, current and
15 prior fiscal years, for damages (28 U. S. C. 2672; 31
16 U. S. C. 224c) ; losses resulting from unavoidable casualty
17 (39 U. S. C. 49) ; loss of or damage to mail, and failure to
18 remit collect-on-delivery charges (5 U. S. C. 372; 39
19 U. S. C. 244, 245a-1, 245b-1, 245d-1, 381, 382, 387) ;
20 and domestic money orders more than one year old (31
21 U. S. C. 725k) ; \$7,180,000.

22 GENERAL PROVISIONS

23 SEC. 202. Appropriations made in this title for general
24 administration and for postal operations shall be available
25 for examination of estimates of appropriations in the field.

1 SEC. 203. Appropriations made in this title, except those
2 for payment of claims, shall be available for expenditures in
3 connection with accident prevention.

4 SEC. 204. Appropriations made in this title available
5 for expenses of travel shall be available, under regulations
6 prescribed by the Postmaster General, for expenses of at-
7 tendance at meetings of technical, scientific, professional, or
8 other similar organizations concerned with the function or
9 activity for which the appropriation concerned is made.

10 SEC. 205. This title may be cited as the "Post Office
11 Department Appropriation Act, 1954".

12 TITLE III—GENERAL PROVISIONS

13 SEC. 301. No part of any appropriation contained
14 in this Act shall be used to pay the salary or wages
15 of any person who engages in a strike against the
16 Government of the United States or who is a member
17 of an organization of Government employees that as-
18 serts the right to strike against the Government of the
19 United States, or who advocates, or is a member of an
20 organization that advocates, the overthrow of the Govern-
21 ment of the United States by force or violence: *Provided*,
22 That for the purposes hereof an affidavit shall be considered
23 prime facie evidence that the person making the affidavit has
24 not contrary to the provisions of this section engaged in a
25 strike against the Government of the United States, is not a

1 member of an organization of Government employees that
2 asserts the right to strike against the Government of the
3 United States, or that such person does not advocate, and
4 is not a member of an organization that advocates, the over-
5 throw of the Government of the United States by force or
6 violence: *Provided further*, That any person who engages
7 in a strike against the Government of the United States or
8 who is a member of an organization of Government em-
9 ployees that asserts the right to strike against the Govern-
10 ment of the United States, or who advocates, or who is a
11 member of an organization that advocates, the overthrow of
12 the Government of the United States by force or violence
13 and accepts employment the salary or wages for which are
14 paid from any appropriation or fund contained in this Act
15 shall be guilty of a felony and, upon conviction, shall be fined
16 not more than \$1,000 or imprisoned for not more than one
17 year, or both: *Provided further*, That the above penalty
18 clause shall be in addition to, and not in substitution for,
19 any other provisions of existing law.

20 SEC. 302. This Act may be cited as the "Treasury and
21 Post Office Departments Appropriation Act, 1954".

Passed the House of Representatives May 14, 1953.

Attest:

LYLE O. SNADER,

Clerk.

AN ACT

Making appropriations for the Treasury and
Post Office Departments for the fiscal year
ending June 30, 1954, and for other purposes.

MAY 15, 1953

Read twice and referred to the Committee on
Appropriations

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued
For actions of

June 8, 1953

June 5, 1953

83rd-1st, No. 103

CONTENTS

Adjournment.....6	Immigration.....16	Small business.....1
Appropriations.....2,7	Legislative program.....6,8	Tea.....12
Budgeting.....15	Prices, farm.....11	Trade, foreign.....14
Columbia Basin.....4	Reorganization.....17	Treaties.....13
Economic controls.....3	Roads.....5	Wool.....14
Expenditures.....10	St. Lawrence seaway.....9	

HIGHLIGHT: Conferees agreed to file report on 3rd supplemental appropriation bill.

HOUSE

1. SMALL BUSINESS. Passed as reported H.R. 5141, to create the Small Business Administration (pp. 6328-59).
2. APPROPRIATIONS. The "Daily Digest" states: "Conferees, in executive session, agreed to file a conference report on the differences between the House- and Senate-passed versions of H.R. 4664, third supplemental appropriations" (p. D518).
3. ECONOMIC CONTROLS. The Banking and Currency Committee was granted permission to file, by midnight Saturday, a report on S. 1081, providing for temporary economic controls (p. 6362).
4. COLUMBIA BASIN. Rep. Angell inserted Hillman Lueddemann's recent speech wherein he stated that, in order to strengthen "the Northwest's tomorrow, ... we must regard the Columbia Basin as a single economic unit" ... and ... "as an integrated agricultural unit" (pp. 6359-61).
5. ROADS. Received a Mich. Legislature memorial requesting the Federal Government to give consideration to the Hearst plan for better roads (p. 6362).
6. ADJOURNED until Mon., May 8 (p. 6362). The legislative program for next week as stated by the majority leader: Mon., D. C. bills; then for balance of week:

S. 1081, economic controls bill; H.R. 5304, trip leasing bill; and bill extending the Reciprocal Trade Agreements Act (if rules are reported for consideration of these bills). These bills will not necessarily be taken up in this order (p. 6359).

SENATE

7. APPROPRIATIONS. The Appropriations Committee ordered reported (but did not actually report) without amendment H.R. 5174, the Treasury-Post Office appropriations bill for 1954 (p. D515).

8. LEGISLATIVE PROGRAM. The "Daily Digest" states: Mon., Calendar will be called from the beginning, and S. 690, lease-purchase agreements; remainder of week, H.R. 5227, Agriculture appropriations for 1954, and possibly H.R. 5174, Treasury-Post Office appropriations for 1954 (p. D518).

ITEMS IN APPENDIX

9. ST. LAWRENCE SEAWAY. Rep. Van Zandt inserted a Wall Street Journal editorial urging caution in considering the feasibility of this project (p. A3399).
10. EXPENDITURES. Rep. Dowdy inserted a Palestine (Tex.) Herald Press editorial titled, "Budget Can Be Balanced" (pp. A3400-01).
11. FARM PRICES. Rep. Bow inserted the results of a poll conducted by the Ohio Farm Bureau Federation among farmers of his District on farm-price problems (pp. A3402-03).
12. TEA. Rep. Judd inserted a statement by Robert Smallwood, Tea Council of the U.S., before a Foreign Relations Subcommittee, and a New York Herald Tribune article discussing the formation of a new corporation composed of American businessmen and the Governments of India, Ceylon, and Indonesia to promote the sale of tea in the U.S. (pp. A3403-04).
13. TREATIES. Rep. McVey inserted a Daily Calumet editorial favoring Sen. Bricker's proposed constitutional amendment to limit the treaty-making power (pp. A3406-07).
14. WOOL; FOREIGN TRADE. Rep. Stringfellow inserted a speech by J. M. Jones, National Woolgrowers Ass'n., urging protection of the domestic wool industry from foreign competitors (p. A3407).
15. BUDGETING. Extension of remarks of Rep. Colmer favoring his bill, H.R. 1710, to set up a joint committee to evaluate the budget by the H. and S. Appropriations Committees (pp. A3408-09).

BILLS INTRODUCED

16. IMMIGRATION. H.R. 5583, by Rep. Multer, to assist in relieving the current immigration and refugee problem by providing for the issuance of 240,000 special immigrant visas during the 2 fiscal years commencing July 1, 1953, and July 1, 1954; to Judiciary Committee (p. 6362).
 17. REORGANIZATION. H. Resolutions 261, 262, 263, disapproving Reorganization Plans No. 7, 8, and 9 of 1953; to Gov't. Operations Committee (introduced June 4) (p. 6168).
- COMMITTEE HEARINGS-ANNOUNCEMENTS FOR JUNE 8: Wheat marketing quotas, H. Agriculture (exec.). USDA appropriation bill, S. Appropriations (exec.).

Daily Digest

HIGHLIGHTS

House passed bill creating Small Business Administration.

Senate committee approved for reporting Treasury-Post Office appropriations.

Conferees agreed to file report on third supplemental appropriations.

See Congressional Program Ahead.

Senate

Chamber Action

The Senate was not in session today. Its next meeting will be held on Monday, June 8, at 12 noon.

Committee Meetings

(Committees not listed did not meet)

APPROPRIATIONS—AIR FORCE

Committee on Appropriations: Subcommittee on Armed Services continued its hearings on 1954 budget estimates for the Air Force, with further testimony from the following Air Force representatives: Gen. Hoyt S. Vandenberg, Chief of Staff, James H. Douglas, Jr., Under Secretary, Lt. Gen. C. B. Stone, Deputy Chief of Staff (Comptroller), and Maj. Gen. Oliver S. Picher, Assistant Deputy Chief of Staff (Operations) for Programming.

Hearings continue June 8.

APPROPRIATIONS—INTERIOR

Committee on Appropriations: Subcommittee continued, in executive session, marking up for reporting to the full committee H. R. 4828, Interior appropriations for 1954, did not complete its work, and will meet again tomorrow.

APPROPRIATIONS—TREASURY-POST OFFICE

Committee on Appropriations: Committee, in executive session, ordered favorably reported to the Senate without amendment H. R. 5174, Treasury-Post Office appropriations for 1954.

Committee will meet again June 8 for consideration of H. R. 5227, Agriculture appropriations.

AIRCRAFT PROCUREMENT

Committee on Armed Services: Continuing its hearings on Air Force procurement of C-119 type aircraft, Preparedness Subcommittee No. 1 heard further testimony from Lt. Gen. Orval R. Cook, Deputy Chief of Staff for

Materiel, Air Force, and Air Force auditors from the Willow Run plant of Kaiser-Frazer and the Hagerstown plant of Fairchild Engine & Aircraft. Based on a comparison of cost figures for construction of C-119's at these two plants, presented by the Air Force auditors, General Cook testified that the performance of the contract by Willow Run plant was disappointing in that the costs were excessive, and there was excessive waste. This hearing was followed by an executive session, after which the subcommittee adjourned subject to call.

NOMINATIONS

Committee on Finance: Committee, in executive session, approved for reporting the following nominations: Nelson Aldrich Rockefeller, of New York, to be Under Secretary of Health, Education, and Welfare; John J. Devaney, of New York, to be collector of customs, district 8, Rochester, N. Y.; James P. Winne, of Hawaii, to be collector of customs, district 32, Honolulu; and John A. Stanek, of Illinois, to be collector of customs, district 38, Chicago.

Prior to this action, committee, in open session, heard Mr. Rockefeller answer questions in behalf of his own nomination.

MUTUAL SECURITY

Committee on Foreign Relations: Committee, in executive session, began marking up for reporting a proposed bill to extend the mutual security program for fiscal 1954, but took no final actions, and will continue June 8.

EUROPEAN COAL AND STEEL COMMUNITY

Committee on Foreign Relations: Committee met in executive session to hear further testimony as to the organization, operations, and powers of the European Coal and Steel Community from Jean Monnet, president, Franz Etzel, vice president, and Dirk Spierenburg, Dutch member, all of the High Authority of the European Coal and Steel Community.

INVESTIGATION—AUSTRIAN CURRENCY

Committee on Government Operations: Permanent Subcommittee on Investigations had as its witness Frank Coe, formerly secretary of the International Monetary Fund, who was questioned with regard to the Austrian currency devaluation in 1949. Mr. Coe was also questioned with regard to his membership and activities in the Communist Party, but he refused, on constitutional grounds, to answer such questions. Subcommittee will question this witness further on June 8.

WATERFRONT RACKETEERING

Committee on Interstate and Foreign Commerce: Investigating Subcommittee resumed its hearings with re-

gard to waterfront racketeering in the New York-New Jersey areas, with the following witnesses:

James P. McAluney, manager, Stockard & Co., Inc., Philadelphia, who appeared to correct testimony that he submitted to the subcommittee on May 7 with regard to substantial sums of money that he received from the Jarka Stevedoring Co. of New York; and

Charles Scarlett, president, Baltimore Steamship Trade Association, Baltimore, and Robert N. Fleagle, Jr., manager, Atlantic Transport Co., and former president of the Steamship Trade Association, both of whom testified with regard to the gang-hiring plan, a system used at the Baltimore waterfront for hiring stevedores.

Subcommittee recessed subject to call.

House of Representatives

Chamber Action

Bills Introduced: 3 public bills, H. R. 5581-5583, and 11 private bills, H. R. 5584-5594, were introduced.

Pages 6362-6363

Bill Reported: One report was filed, as follows: H. R. 5407, to extend the bonding period on whisky from 8 to 12 years (H. Rept. 515).

Page 6362

Military Uniforms: Insisted on its amendment to S. 1550, authorizing the President to prescribe the occasions upon which the uniform of any of the Armed Forces may be worn by persons honorably discharged therefrom; agreed to a conference requested by the Senate; and appointed as conferees Representatives Short, Johnson, and Kilday.

Page 6328

Controls: The Committee on Banking and Currency was granted permission to file, by midnight Saturday, a report on S. 1081, providing for temporary economic controls.

Page 6362

Small Business: Passed, by a voice vote, H. R. 5141, to create the Small Business Administration and to preserve small business institutions and free competitive enterprise. A point of order was made, and sustained, against a recommittal motion with instructions to increase the revolving fund to \$500 million and to remove the limitation of \$100,000 on loans.

The Small Business Administration to be created by this bill would continue many of the functions of the Small Defense Plants Administration and would have the responsibility for administering programs for preserving and development of small business.

Rejected amendments that sought to—

Increase the revolving fund of the Administration from \$250 million to \$500 million.

Delete from the bill the limitation of \$100,000 on loans.

Exempt from the \$100,000 limitation all loans made for defense procurement and expansion of small defense plants.

Pages 6328-6359

Order of Business: Calendar Wednesday business in order on June 10 was dispensed with pursuant to a unanimous-consent request.

Page 6359

Program for Monday: Adjourned at 2:46 p. m. until Monday, June 8, at 12 o'clock noon. For program see Congressional Program Ahead in this DIGEST.

Committee Meetings

WHEAT-MARKETING QUOTAS

Committee on Agriculture: Representatives of farm organizations testified today in support of H. R. 5451, to make changes in the wheat-marketing quota provisions of the agricultural laws. Witnesses heard were Ed Bell, of the National Wheat Growers, and administrator of the Oregon Wheat Growers; James G. Patton, president, National Farmers Union; and J. T. Sanders, legislative counsel, National Grange. Also heard Frank K. Woolley, who spoke on behalf of the American Farm Bureau Federation. He commented on the various provisions of the bill, and presented a summation of suggestions and recommendations that have been proposed by the federation.

RESERVE OFFICER PROMOTIONS

Committee on Armed Services: Johnson Subcommittee No. 3 held further consideration of H. R. 1222, regarding annual determination in advance of the number of Reserve officers in active status needed for planned mobilization requirements. The bill is being read for amendments and the subcommittee will resume on the measure next Tuesday morning.

SYNTHETIC-RUBBER FACILITIES

Committee on Armed Services: Shafer Subcommittee No. 1 heard the following witnesses at today's consideration of H. R. 5425, authorizing the disposal of Government-owned synthetic-rubber facilities—O. V. Tracy, Esso Standard Oil Co.; George Tisdale, U. S. Rubber

TREASURY AND POST OFFICE DEPARTMENTS
APPROPRIATION BILL, FISCAL YEAR 1954

JUNE 8, 1953.—Ordered to be printed

Mr. McCARTHY, from the Committee on Appropriations, submitted
the following

REPORT

[To accompany H. R. 5174]

The Committee on Appropriations, to whom was referred the bill (H. R. 5174) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1954, and for other purposes, report the same to the Senate without amendment.

Amount of bill as passed House and as reported to

Senate.....	\$3, 444, 145, 000
Amount of regular estimates for 1954.....	3, 572, 128, 000
Amount of appropriations for 1953.....	3, 449, 570, 000

The bill as reported to Senate:

Under the appropriations for 1953.....	5, 425, 000
Under the estimates for 1954.....	127, 983, 000

Treasury Department bill, title I:

Amount as passed House and as reported to

Senate.....	611, 895, 000
Amount of regular estimates for 1954.....	665, 328, 000
Amount of appropriations for 1953.....	655, 770, 000

Treasury Department bill, title I—Continued

The bill as reported to the Senate:

Under the estimates for 1954-----	\$53, 433, 000
Under the appropriations for 1953-----	43, 875, 000

Post Office bill, title II:

Amount as passed House and as reported to

Senate-----	2, 832, 250, 000
Amount of regular estimates for 1954-----	2, 906, 800, 000
Amount of appropriations for 1953-----	2, 793, 800, 000

The bill as reported to the Senate:

Under the estimates for 1954-----	74, 550, 000
Exceeds the appropriations for 1953-----	38, 450, 000

GENERAL STATEMENT

The bill provides a total of \$3,444,145,000 for the 1954 regular annual appropriations of the Treasury and Post Office Departments. Of this amount the committee recommends \$611,895,000 for the Treasury Department, and \$2,832,250,000 for the Post Office Department, the same amounts as the House allowance for the two Departments.

Percentagewise the total amount recommended would be 3.58 percent under the 1954 estimates, and 0.15 percent under the 1953 appropriation.

Permanent indefinite appropriations are not carried in the bill. The 1954 estimates in this category were \$9,605,990,370, or a decrease of \$49,266,200 when compared to the 1953 appropriation. Included in this estimate is \$6,350 million for interest on the public debt, which reflects a decrease of \$100 million when compared to the 1953 appropriation figure. The estimate of \$6,382,338,504 for trust funds, is likewise not shown in the 1954 bill. This estimate includes \$4,779,843,550 an increase of \$344,818,550 over the 1953 total for the Federal old-age and survivors' insurance trust fund. Details of the items comprising the Treasury Department's estimates for the general and special funds, as well as the trust funds, may be found in the table of this report.

TREASURY DEPARTMENT

The committee recommends the sum of \$611,895,000 for the 1954 operating expenses of the Treasury Department, which is the same amount as the House allowance for this Department. This total is \$53,433,000 under the budget estimates and is \$43,875,000 under the

appropriation for the current year. The major portion of the decrease was applied to "operating expenses" and "acquisition, construction, and improvements" in the Coast Guard appropriation. In the first category the decrease will necessitate a reduction in military personnel and related costs; expenses for fuel, general maintenance of facilities, and the administrative and supporting programs. In the second item the House allowance and the Senate action make it necessary to defer the construction of several lifeboat stations, improvements at the Elizabeth City Air Station, the final phase of the loran chain, and the aircraft replacement program. Details concerning the reductions in the Treasury Department, as well as the comparison of the Senate bill with the estimate for 1954 and the appropriation for 1953, may be found in the table of this report.

Although the reductions in the estimates for the Bureau of Internal Revenue were less drastic than those made in other offices and bureaus of the Department, except the Bureau of Narcotics, which suffered no reduction at all, the committee emphasizes that the areas concerned with the investigation and audit of tax returns and the appellate service were not affected by the reductions. However, the committee is anxious to provide the Bureau of Internal Revenue with funds for the adequate investigation and audit of tax returns. If in the best judgment of the Secretary of the Treasury the amount contained in this bill is insufficient for this particular purpose the committee will consider a supplemental request.

DECENTRALIZATION OF AUDIT AND DESTRUCTION OF UNFIT UNITED STATES PAPER CURRENCY

The amounts included in title I of the bill for defraying the cost of transportation, verification, and destruction of unfit United States paper currency, reflect reductions recommended by the Secretary of the Treasury in the appropriation "Contingent expenses, public moneys" and the appropriation "Administering the public debt" in the sums of \$200,000 and \$773,900, respectively. These reductions were made on the assumption that unfit paper currency will no longer be shipped to the Treasury Department in Washington for verification and destruction and that this work, effective July 1, 1953, will be done by the Federal Reserve banks as fiscal agents of the Treasury Department. Reimbursements to the Federal Reserve banks for the cost of performing these functions for the Treasury Department will be paid during the fiscal year 1954 from the appropriation "Administering the public debt."

OBSERVATION CONCERNING APPROPRIATIONS STRUCTURE

The Treasury Department has made a number of constructive changes and simplifications in its appropriation structure over the past few years. It appears, however, that the Department should give serious consideration to the consolidation of the several appropriations for salary and expenses for the Bureau of Accounts, the Office of the Treasurer, and the United States Secret Service. It will be noted that this suggestion excludes the United States Coast Guard, mainly because it seems that this particular appropriation is more efficiently handled in its present appropriations structure.

POST OFFICE DEPARTMENT

For the Post Office Department the committee recommends approval of the House allowance of \$2,832,250,000. This sum is \$74,550,000 under the budget estimates and \$38,450,000 over the 1953 appropriations. The bill provides that not to exceed 5 percent of any appropriation available to the Department for the current fiscal year may be transferred with the approval of the Bureau of the Budget, to any other such appropriation or appropriations for the Post Office Department. The purpose of this provision is to give the Department an opportunity to improve its organization structure and effect the most economical alinement of functions in both the field and departmental services. The estimated total revenues for 1953 and 1954 indicate a 9.46 percent and 4 percent increase over 1952 and 1953, respectively. Estimated volumes are 4.66 percent and 3.87 percent higher than 1952 and 1953, respectively. In 1954 it is estimated that the Department will handle 53.7 billion pieces of mail, or 329 pieces for every person in the United States. This represents a 94 percent increase in total volume and a 51 percent increase in use of the mail per capita in 15 years. The estimated deficit for the fiscal year 1954 is \$596.7 millions, as compared to the estimated deficit for the current year, which is shown in the budget in the amount of \$642 millions. The deficit for the fiscal year 1952 was \$727 millions.

The table at the end of this report reflects the increases and decreases in the Post Office Department's appropriation as compared to the budget estimate and the appropriation for the current year.

POSTAL DEFICIT

The committee has been very much disturbed by the tremendous deficits incurred by the Post Office Department over the past several years. In the fiscal year 1952, on which details are available, a large portion of the deficit of \$727,050,218 is reflected in the handling of second, third, and fourth class mail. The loss in second-class mail, for newspapers and periodicals, is shown as \$240,386,260; for third-class mail, concerned with books and circulars, \$191,913,098 and in fourth-class mail, consisting of parcel post and all mailable items in excess of 8 ounces except newspapers and periodicals, \$153,735,441. This is a heavy burden on the taxpayer, which must be corrected, especially in view of the fact that in the fiscal year 1954 the postal service will operate at an estimated loss of \$596,700,000. The committee strongly recommends that the Postmaster General give his immediate attention to a study of all the factors involved in the postal deficit, so that legislation may be proposed to eliminate this serious problem. Further, the committee feels confident and emphasizes that the appropriate committees of Congress will extend their full assistance and cooperation to rectify this situation.

EXPLANATION OF REDUCTIONS FROM 1954 BUDGET ESTIMATES

TITLE I—TREASURY DEPARTMENT

Office of the Secretary----- \$220, 000

The committee recommends approval of the House allowance of \$2,400,000 for salaries and expenses of the Office of the Secretary. This sum is \$220,000 under the 1954 estimates. The reduction necessitates a decrease of a total of 43 positions in the clerical and staff assistance category in 4 activities; namely, executive direction, administration and coordination of legal services, general administrative services, and operation and maintenance of Treasury Buildings. There is a further reduction in the number of health units from 4 to 3, which results in a savings of \$3,000 by the elimination of 1 of the 2 units operated by 1 employee.

Bureau of Accounts and Division of Disbursement-- 1, 265, 000

The committee recommends approval of the House allowance of \$1,800,000 for salaries and expenses of the Bureau of Accounts, a reduction of \$200,000 under the 1954 budget estimates. The committee also recommends approval of the House allowance of \$11,000,000 for salaries and expenses of the Division of Disbursement, which is a decrease of \$1,065,000 when compared to the 1954 budget estimates. The reduction in the Bureau of Accounts contemplates a total reduction of 19 average positions in staff and clerical assistance for activities concerned with the maintenance of central accounts, processing investments, accounting and reporting systems, Federal depository system, and executive direction. There are also savings in this account through curtailment of travel and reductions in the cost of handling withheld tax payments. The decrease in the Division of Disbursement is affected through a total reduction of 156 average positions in the activities concerned with the processing of payments and collections, and the issuance of savings bonds. Other reductions will be obtained through reducing inventories, curtailing travel, and suspension of the mechanization program.

Bureau of Public Debt----- 5, 000, 000

The committee recommends approval of the House allowance of \$50,000,000 for administering the public debt, which is \$5,000,000 below the figure shown in the 1954 budget estimates. Savings will be realized through modification of procedures and more effective utilization of manpower and machine time, reductions in payments to the post office, reductions in space rentals and cost of security stock, cost of space and maintenance, deferral of equipment replacement, reduction in travel and other costs such as supplies in relation to reductions in staff, and certain promotional drives.

TITLE I—TREASURY DEPARTMENT—Continued

Office of the Treasurer and Contingent Expenses, Public Moneys-----	\$3, 650, 000
--	---------------

The committee recommends approval of the House allowance of \$17,350,000 for salaries and expenses, Office of the Treasurer and for contingent expenses, public moneys, which is \$3,650,000 below the 1954 budget estimates. Savings will result from reductions in additional conversions from the use of paper to card checks on large accounts of the Post Office and the military; accumulation of backlogs in processing checks and claims; reduction in over-the-counter banking services; decrease in purchases of currency; delay in processing over-the-counter bond transactions, and a reduction in the unit cost rate for the purchase of currency due to the management improvement program in the Bureau of Engraving and Printing. The reduction in Contingent Expenses, Public Moneys, is based on the proposed decentralization of redemption of unfit United States currency to Federal Reserve banks, which is expected to reduce the cost of shipments of such currency to Washington, D. C.

Bureau of Customs-----	1, 500, 000
------------------------	-------------

The committee concurs in the House allowance of \$40,500,000 for the Bureau of Customs, which is \$1,500,000 under the 1954 budget estimates. This reduction will decrease the Bureau of Customs personnel by 335 average positions in each of the 6 activities covered in this appropriation. The reduction will also eliminate funds for equipment replacement and border buildings.

Bureau of Internal Revenue-----	6, 500, 000
---------------------------------	-------------

The committee approves the House allowance of \$266,000,000 for the Bureau of Internal Revenue, which is \$6,500,000 below the 1954 budget estimates. The reductions will be applied to areas concerned with the revision of procedures to eliminate unnecessary notices and reports and to avoid spending more in the collection of small deficiencies than actually recovered; regulatory control, and inspection work and reductions in processing returns, remittances, information documents and claims. During the hearings the committee was informed that these reductions would not materially affect the collection of revenue. The committee is hopeful that the Bureau of Internal Revenue will be able to stay within the amount as allowed by the House and approved by the committee, but if in discretion of the Secretary of the Treasury the amount is found to be insufficient for the adequate investigation and audit of tax returns the committee will consider a supplemental request.

United States Secret Service-----	348, 000
-----------------------------------	----------

The committee concurs in the House allowance of a total of \$3,505,000 for the United States Secret Service, including the White House Police and Guard Force, which is a decrease of \$348,000 under the 1954 budget estimates. To accomplish this reduction there will be a decrease in personnel services and related costs. However, the committee has been assured that the reductions will not seriously impede the work of the United States Secret Service.

TITLE I—TREASURY DEPARTMENT—Continued

Bureau of the Mint----- \$600, 000

The committee approves and recommends acceptance of the House allowance of \$4,700,000 for the Bureau of the Mint, which is under the 1954 budget estimates by \$600,000. This reduction will eliminate modernization of the Philadelphia Mint and reduce by 100,000,000 coins the originally estimated coin production of 1.5 billion. The reduction of coinage funds and the necessity to absorb Wage Board increases will cause a decrease of 71 in average employment.

United States Coast Guard----- 34, 350, 000

The committee approves the House allowance of a total of \$211,850,000 for the Coast Guard, which is \$34,-350,000 under the 1954 budget estimates. The Coast Guard is for appropriation purposes divided into 4 categories; namely, operating expenses; acquisition, construction, and improvements; retired pay; and reserve training. In the first activity the reduction of \$11,750,000 is based on a reduction in military personnel and the related costs and reductions in operations through economies in expenditures for fuel; general maintenance of facilities and administrative and supporting programs. Also there will be a necessary curtailment of travel and a reduction of the military readiness program. The largest reduction in the overall Coast Guard appropriation is realized in the activity concerned with acquisition, construction, and improvements. It will be necessary to defer the construction of several lifeboat stations, improvements in the Elizabeth City Air Station and the aircraft replacement program. The committee received assurance during the hearings that the reductions would not seriously affect the operations of the Coast Guard in its many varied activities.

TITLE II—POST OFFICE DEPARTMENT

General administration----- \$2, 000, 000

The committee approves the House allowance of \$22,-000,000 for general administration, which is \$2,000,000 below the 1954 budget estimates. However, it should be noted that the full amount of \$22,000,000 reflects no reduction at all when compared to the appropriation for the current year. This appropriation item, may be affected by the transferability provisions carried in the appropriation title "Postal Operations," which permits the transfer of funds (not to exceed \$10,000,000) to the account for general administration.

Postal operations----- 11, 250, 000

The committee approves the House allowance of \$2,229,450,000 for postal operations, which is \$11,250,-000 under the 1954 budget estimates. Although below the 1954 budget estimates the amount contained in this bill for postal operations represents an increase of \$79,-450,000 over funds appropriated for the current year. This particular appropriation title, contains language which is intended to provide sufficient flexibility on the management level in order to achieve desired objectives for savings accomplished in the field.

TITLE II—POST OFFICE DEPARTMENT—Continued

Transportation of mails-----	\$61, 200, 000
------------------------------	----------------

The committee approves the House allowance of \$573,620,000 for the transportation of mails, which is \$61,200,000 below the 1954 budget estimates. The committee approves the House reduction of \$1,100,000, in the subappropriation for truck transportation, beyond the decrease in estimates recommended for acceptance by the Post Office Department in their revised budget submission.

Claims-----	100, 000
-------------	----------

The committee approves the House allowance of \$7,180,000 for claims, which is a reduction of \$100,000 when compared to the 1954 budget estimates. However, the House allowance, in which the committee concurs, represents an increase of \$1,380,000 over the appropriation for the current year.

Total decreases in budget estimates-----	127, 983, 000
--	---------------

Amount of bill as reported to the Senate-----	3, 444, 145, 000
---	------------------

GENERAL PROVISIONS

The committee has noted and approved the following language included in the bill by the House:

Coast Guard:

Provided further, That except as otherwise authorized by the Act of September 30, 1950 (20 U. S. C. 236-244), this appropriation shall be available for expenses of primary and secondary schooling for dependents on Coast Guard personnel stationed outside the continental United States in amounts not exceeding an average of \$250 per student, when it is determined by the Secretary that the schools, if any, available in the locality are unable to provide adequately for the education of such dependents, and the Coast Guard may provide for the transportation of said dependents between such schools and their places of residence when the schools are not accessible to such dependents by regular means of transportation.

POST OFFICE DEPARTMENT

Postal operations:

, and not in excess of \$500,000 to carry out the purposes of Public Law 513, approved July 11, 1952

Postal operations:

Provided, That not to exceed 5 per centum of any appropriation available to the Post Office Department for the current fiscal year may be transferred, with the approval of the Bureau of the Budget, to any other such appropriation or appropriations; but the appropriation "General Administration" shall not be increased by more than \$10,000,000 as a result of such transfers: *And provided further*, That functions financed by the appropriations for the current fiscal year for "General Administration" and for "Postal Operations", and the amounts appropriated therefor, may be transferred, in addition to the appropriation transfers otherwise authorized in this Act and with the approval of the Bureau of the Budget, between such appropriations to the extent necessary to improve administration and operations.

COMPARATIVE STATEMENT OF THE APPROPRIATIONS FOR 1953 AND THE ESTIMATES FOR 1954, PERMANENT INDEFINITE APPROPRIATIONS, TREASURY DEPARTMENT

Object	Appropriations, 1953	Estimates, 1954	Increase (+) or decrease, (-)
General and special funds:			
Interest on the public debt.....	\$6, 450, 000, 000	\$6, 350, 000, 000	-\$100, 000, 000
Public debt retirements payable from ordinary receipts and other statutory retirements.....	620, 063, 100	620, 261, 900	+ 198, 800
Losses in melting gold.....	1, 000	1, 000	-----
Refund of moneys erroneously received and covered.....	2, 000, 000	2, 000, 000	-----
Interest on uninvested trust funds.....	4, 744, 550	4, 919, 550	+175, 000
Refunds and drawbacks, Customs.....	20, 000, 000	20, 000, 000	-----
Refunding internal revenue collections.....	2, 543, 900, 000	2, 593, 000, 000	+50, 000, 000
Internal revenue collections for Puerto Rico.....	14, 935, 000	14, 935, 000	-----
Cocunut oil tax, collections for American-Samoa, internal revenue.....	100, 000	60, 000	-40, 000
Contributions for annuity benefits, White House police and Secret Service forces.....	111, 300	111, 300	-----
Minor coinage profits, etc.....	300, 000	600, 000	+300, 000
Silver profit fund.....	-----	100, 000	+100, 000
Permanent private relief acts.....	1, 620	1, 620	-----
Total, general and special funds.....	9, 655, 256, 570	9, 605, 990, 370	-49, 266, 200
Trust funds (not a charge against revenue):			
Federal old-age and survivors insurance trust fund.....	4, 435, 025, 000	4, 779, 843, 550	+344, 818, 550
Pershing Hall memorial fund.....	4, 978	4, 978	-----
Unemployment trust fund.....	1, 553, 221, 976	1, 595, 707, 000	+42, 485, 024
Payment of pre-1934 bonds of the Government of the Philippines.....	120, 000	80, 000	-40, 000
Mexican claims fund.....	2, 500, 000	2, 500, 000	-----
Payment of unclaimed moneys.....	150, 000	150, 000	-----

*Comparative statement of the appropriations for 1953 and the estimates for 1954, permanent indefinite appropriations,
Treasury Department—Continued*

Object	Appropriations, 1953	Estimates, 1954	Increase (+) or decrease (—)
Trust funds (not a charge against revenue)—Continued			
Refunds, transfers, and expenses of operation, Puerto Rico, Bureau of Customs.....	\$3,502,000	\$3,517,000	+\$15,000
Refunds, transfers, and expenses of operation, Virgin Islands, Bureau of Customs.....	165,000	168,000	+3,000
Refunds, transfers, and expenses of unclaimed, abandoned, and seized goods, Bureau of Customs.....	230,000	230,000	-----
Expenses, Treasury Department, enforcement title III, National Prohibition Act, as amended, Puerto Rico and Virgin Islands.....	116,826	137,976	+21,150
Total, trust funds.....	5,995,035,780	6,382,338,504	+387,302,724

COMPARATIVE STATEMENTS OF APPROPRIATION FOR 1953, ESTIMATES FOR 1954, AND AMOUNTS
RECOMMENDED IN THE BILL FOR 1954

TREASURY DEPARTMENT

Agency and item	Appropriations, 1953	Estimates, 1954	Recommended in House bill for 1954	Amount recommended by Senate committee	Increase (+) or decrease (—) Senate bill compared with—	
					Appropriations, 1953	Estimates, 1954
OFFICE OF THE SECRETARY						
Salaries and expenses.....	\$2,585,000	\$2,620,000	\$2,400,000	\$2,400,000	—\$185,000	—\$220,000
BUREAU OF ACCOUNTS						
Salaries and expenses.....	2,000,000	2,000,000	1,800,000	1,800,000	—200,000	—200,000
Disbursement, Division of, salaries and expenses.....	12,200,000	12,065,000	11,000,000	11,000,000	—1,200,000	—1,065,000
Total, Bureau of Accounts.....	14,200,000	14,065,000	12,800,000	12,800,000	—1,400,000	—1,265,000
BUREAU OF PUBLIC DEBT						
Administering the public debt.....	1 51,750,000	55,000,000	50,000,000	50,000,000	—1,750,000	—5,000,000
OFFICE OF THE TREASURER						
Salaries and expenses.....	20,500,000	20,450,000	17,000,000	17,000,000	—3,500,000	—3,450,000
Contingent expenses, public moneys.....	550,000	550,000	350,000	350,000	—200,000	—200,000
Total, Office of the Treasurer.....	21,050,000	21,000,000	17,350,000	17,350,000	—3,700,000	—3,650,000
BUREAU OF CUSTOMS						
Salaries and expenses.....	41,000,000	42,000,000	40,500,000	40,500,000	—500,000	—1,500,000
BUREAU OF INTERNAL REVENUE						
Salaries and expenses.....	270,000,000	272,500,000	266,000,000	266,000,000	—4,000,000	—6,500,000
Additional income tax on railroads in Alaska.....	7,000				—7,000	
Total, Bureau of Internal Revenue.....	270,007,000	272,500,000	266,000,000	266,000,000	—4,007,000	—6,500,000

1 Includes \$750,000 appropriated under the Second Supplemental Appropriation Act, 1953 (Public Law 11, approved March 28, 1953).

Comparative statements of appropriation for 1953, estimates for 1954, and amounts recommended in the bill for 1954—Con.

TREASURY DEPARTMENT—Continued

Agency and item	Appropriations, 1953	Estimates, 1954	Recommended in House bill for 1954	Amount recommended by Senate committee	Increase (+) or decrease (–) compared with—	
					Appropriations, 1953	Estimates, 1954 House bill
BUREAU OF NARCOTICS						
Salaries and expenses.....	\$2,790,000	\$2,790,000	\$2,790,000	\$2,790,000		
U. S. SECRET SERVICE						
Salaries and expenses.....	2,725,000	2,725,000	2,500,000	2,500,000	–\$225,000	–\$225,000
Salaries and expenses, White House Police.....	698,000	698,000	630,000	630,000	–68,000	–68,000
Salaries and expenses, Guard Force.....	465,000	430,000	375,000	375,000	–90,000	–55,000
Total, U. S. Secret Service.....	3,888,000	3,853,000	3,505,000	3,505,000	–383,000	–348,000
BUREAU OF THE MINT						
Salaries and expenses.....	4,825,000	5,300,000	4,700,000	4,700,000	–125,000	–600,000
COAST GUARD						
Operating expenses.....	199,200,000	200,000,000	188,250,000	188,250,000	–10,950,000	–11,750,000
Acquisition, construction and improvements.....	24,250,000	25,000,000	2,500,000	2,500,000	–21,750,000	–22,500,000
Retired pay.....	17,625,000	18,600,000	18,600,000	18,600,000	+975,000	
Reserve training.....	2,600,000	2,600,000	2,500,000	2,500,000	–100,000	–100,000
Total, Coast Guard.....	243,675,000	246,200,000	211,850,000	211,850,000	–31,825,000	–34,350,000
Total, Treasury Department, regular annual appropriations.....	655,770,000	665,323,000	611,895,000	611,895,000	–43,875,000	–53,433,000

TITLE II—POST OFFICE DEPARTMENT

General administration.....	\$22,000,000	\$24,000,000	\$22,000,000	\$22,000,000	-----	-\$2,000,000	-----
Postal operations.....	2,150,000,000	2,240,700,000	2,229,450,000	2,229,450,000	-----	+\$79,450,000	-----
Transportation of mails.....	616,000,000	634,820,000	573,620,000	573,620,000	-----	-42,380,000	-----
Claims.....	5,800,000	7,280,000	7,180,000	7,180,000	-----	+1,380,000	-----
Total, Post Office Department.....	2,793,800,000	2,906,800,000	2,832,250,000	2,832,250,000	=====	+38,450,000	=====
Grand total, titles I and II, Treasury and Post Office Departments.....	3,449,570,000	3,572,128,000	3,444,145,000	3,444,145,000	=====	-5,425,000	-----

○

Calendar No. 377

83^D CONGRESS
1ST SESSION

H. R. 5174

[Report No. 373]

IN THE SENATE OF THE UNITED STATES

MAY 15, 1953

Read twice and referred to the Committee on Appropriations

JUNE 8, 1953

Reported by Mr. McCARTHY, without amendment

[Omit the part struck through and insert the part printed in italic]

AN ACT

Making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1954, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 TITLE I—TREASURY DEPARTMENT

4 That the following sums are appropriated, out of any money
5 in the Treasury not otherwise appropriated, for the Treasury
6 Department for the fiscal year ending June 30, 1954,
7 namely:

1 OFFICE OF THE SECRETARY

2 SALARIES AND EXPENSES

3 For necessary expenses in the Office of the Secretary,
4 including the operation and maintenance of the Treasury
5 Building and Annex thereof; and the purchase of uniforms
6 for elevator operators; \$2,400,000.

7 BUREAU OF ACCOUNTS

8 SALARIES AND EXPENSES

9 For necessary expenses of the Bureau of Accounts,
10 \$1,800,000: *Provided*, That Federal Reserve banks and
11 branches may be reimbursed for necessary expenses incident
12 to the deposit of taxes in Government depositories.

13 SALARIES AND EXPENSES, DIVISION OF DISBURSEMENT

14 For necessary expenses of the Division of Disbursement,
15 \$11,000,000.

16 BUREAU OF THE PUBLIC DEBT

17 ADMINISTERING THE PUBLIC DEBT

18 For necessary expenses connected with any public-debt
19 or currency issues of the United States, \$50,000,000 to be
20 expended as the Secretary of the Treasury may direct, and
21 the Secretary is authorized to accept services without com-
22 pensation: *Provided*, That Federal Reserve banks and
23 branches may be reimbursed for expenditures as fiscal agents
24 of the United States on account of public-debt transactions
25 for the account of the Secretary of the Treasury: *Provided*

1 *further*, That the indefinite appropriation provided by section
2 10 of the Second Liberty Bond Act, as amended (31 U. S. C.
3 760), shall not be available for obligation during the current
4 fiscal year.

5 OFFICE OF THE TREASURER

6 SALARIES AND EXPENSES

7 For necessary expenses of the Office of the Treasurer,
8 \$17,000,000.

9 CONTINGENT EXPENSES, PUBLIC MONEYS

10 For the collection, safekeeping, transfer, and disburse-
11 ment of the public money and securities of the United States,
12 \$350,000.

13 BUREAU OF CUSTOMS

14 SALARIES AND EXPENSES

15 For necessary expenses of the Bureau of Customs, in-
16 cluding examination of estimates of appropriations in the
17 field; expenses of attendance at meetings of organizations
18 concerned with the purposes of this appropriation; purchase
19 of fifty passenger motor vehicles for replacement only;
20 arms and ammunition; services as authorized by section
21 15 of the Act of August 2, 1946 (5 U. S. C. 55a);
22 and not to exceed \$1,220,000 for personal services in the
23 District of Columbia exclusive of ten persons from the field
24 force authorized to be detailed under law (19 U. S. C.
25 1525); \$40,500,000.

BUREAU OF INTERNAL REVENUE

SALARIES AND EXPENSES

For necessary expenses of the Bureau of Internal Revenue, including expenses, when specifically authorized by the Commissioner, of attendance at meetings of organizations concerned with internal-revenue matters; purchase (not to exceed one hundred for replacement only) and hire of passenger motor vehicles; examination of estimates of appropriations in the field; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), and of expert witnesses at such rates as may be determined by the Commissioner; and ammunition; \$266,000,000: *Provided*, That the amount for personal services in the District of Columbia shall not exceed \$18,410,000.

BUREAU OF NARCOTICS

SALARIES AND EXPENSES

For necessary expenses of the Bureau of Narcotics, including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); hire of passenger motor vehicles; arms and ammunition; and not to exceed \$10,000 for services or information looking toward the apprehension of narcotic law violators who are fugitives from justice; \$2,790,000.

1 UNITED STATES SECRET SERVICE

2 SALARIES AND EXPENSES

3 For necessary expenses of the United States Secret Serv-
4 ice, including purchase (not to exceed twenty for replace-
5 ment only) and hire of passenger motor vehicles; and
6 arms and ammunition; \$2,500,000.

7 SALARIES AND EXPENSES, WHITE HOUSE POLICE

8 For necessary expenses of the White House Police, in-
9 cluding uniforms and equipment, and arms and ammunition,
10 purchases to be made in such manner as the President may
11 determine, \$630,000.

12 SALARIES AND EXPENSES, GUARD FORCE

13 For necessary expenses of the guard force for Treasury
14 Department buildings in the District of Columbia, including
15 purchase, repair, and cleaning of uniforms; and arms and
16 ammunition; \$375,000.

17 BUREAU OF THE MINT

18 SALARIES AND EXPENSES

19 For necessary expenses of the Bureau of the Mint,
20 including arms and ammunition; purchase and maintenance
21 of uniforms and accessories for guards; purchase of one
22 passenger motor vehicle (for replacement only); examina-
23 tion of estimates of appropriations in the field; and not to

1 exceed \$1,000 for the expenses of the annual assay com-
2 mission; \$4,700,000.

3 COAST GUARD

4 OPERATING EXPENSES

5 For necessary expenses for the operation and mainte-
6 nance of the Coast Guard, not otherwise provided for, includ-
7 ing services as authorized by section 15 of the Act of
8 August 2, 1946 (5 U. S. C. 55a) ; purchase of not to exceed
9 thirty-two passenger motor vehicles for replacement only;
10 maintenance, operation, and repair of aircraft; recreation and
11 welfare; and examination of estimates of appropriations in
12 the field; \$188,250,000: *Provided*, That the number of air-
13 craft on hand at any one time shall not exceed one hundred
14 and thirty-seven exclusive of planes and parts stored to meet
15 future attrition: *Provided further*, That (a) the unobligated
16 balance of appropriation to the Coast Guard for the fiscal
17 year 1953 for "Operating expenses" shall be transferred on
18 July 1, 1953, to the account established by the Surplus
19 Fund-Certified Claims Act of 1949 for payment of certified
20 claims; (b) amounts equal to the unliquidated obligations
21 on July 1, 1953, against the appropriation "Operating ex-
22 penses", fiscal year 1953, and the appropriation for "Operat-
23 ing expenses" for the fiscal year 1952 which was merged
24 therewith pursuant to the Treasury Department Appropria-
25 tion Act, 1953, shall be transferred to and merged with

1 this appropriation, and such merged appropriation shall be
2 available as one fund, except for accounting purposes of the
3 Coast Guard, for the payment of obligations properly in-
4 curred against such prior year appropriations and against
5 this appropriation, but on July 1, 1954, there shall be
6 transferred from such merged appropriation to the appro-
7 priation for payment of certified claims (1) any remaining
8 unexpended balance of the 1952 appropriation so trans-
9 ferred, and (2) any remaining unexpended balance of the
10 1953 appropriation so transferred which is in excess of the
11 obligations then remaining unliquidated against such appro-
12 priation: *Provided further*, That except as otherwise author-
13 ized by the Act of September 30, 1950 (20 U. S. C. 236-
14 244), this appropriation shall be available for expenses of
15 primary and secondary schooling for dependents of Coast
16 Guard personnel stationed outside the continental United
17 States in amounts not exceeding an average of \$250 per
18 student, when it is determined by the Secretary that the
19 schools, if any, available in the locality are unable to provide
20 adequately for the education of such dependents, and the
21 Coast Guard may provide for the transportation of said de-
22 pendants between such schools and their places of residence
23 when the schools are not accessible to such dependents by
24 regular means of transportation.

1 ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

2 For necessary expenses of acquisition, construction, re-
3 building, and improvement of aids to navigation, shore
4 facilities, vessels, and aircraft, including equipment related
5 thereto; and services as authorized by section 15 of the Act
6 of August 2, 1946 (5 U. S. C. 55a) ; \$2,500,000, to remain
7 available until expended.

8 RETIRED PAY

9 For retired pay, including the payment of obligations
10 therefor incurred during prior fiscal years, \$18,600,000.

11 RESERVE TRAINING

12 For all necessary expenses for the Coast Guard Reserve,
13 as authorized by law (14 U. S. C. 751-762; 37 U. S. C.
14 231-319), including expenses for regular personnel, or re-
15 serve personnel while on active duty, engaged primarily in
16 administration of the reserve program; and the maintenance,
17 operation, and repair of aircraft; \$2,500,000: *Provided,*
18 That (a) the unobligated balance of appropriation to
19 the Coast Guard for the fiscal year 1953 for "Reserve train-
20 ing" shall be transferred on July 1, 1953, to the account
21 established by the Surplus Fund-Certified Claims Act of
22 1949 for payment of certified claims; (b) amounts equal to
23 the unliquidated obligations on July 1, 1953, against the
24 appropriation "Reserve training", fiscal year 1953, and
25 the appropriation "Reserve training", fiscal year 1952 which

1 was merged therewith pursuant to the Treasury Depart-
2 ment Appropriation Act, 1953, shall be transferred to and
3 merged with this appropriation, and such merged appropri-
4 ation shall be available as one fund, except for accounting
5 purposes of the Coast Guard, for the payment of obligations
6 properly incurred against such prior year appropriations and
7 against this appropriation, but on July 1, 1954, there shall
8 be transferred from such merged appropriation to the ap-
9 propriation for payment of certified claims (1) any remain-
10 ing unexpended balance of the 1952 appropriation so trans-
11 ferred and (2) any remaining unexpended balance of the
12 1953 appropriation so transferred which is in excess of the
13 obligations then remaining unliquidated against such
14 appropriation.

15 SEC. 102. This title may be cited as the "Treasury
16 Department Appropriation Act, 1954".

17 TITLE II—POST OFFICE DEPARTMENT

18 For administration and operation of the Post Office
19 Department and the postal service, there is hereby appro-
20 priated the aggregate amount of postal revenues for the
21 fiscal year ending June 30, 1954, as authorized by
22 law (39 U. S. C. 786, 794a), together with an amount
23 from any money in the Treasury not otherwise appropriated,
24 equal to the difference between such revenues and the total
25 of the appropriations hereinafter specified and the sum needed

1 may be advanced to the Post Office Department upon requi-
2 sition of the Postmaster General, for the following purposes,
3 namely:

4 GENERAL ADMINISTRATION

5 For expenses necessary for general administration of the
6 postal service, operation of the inspection service, and the
7 conduct of a research and development program, including
8 services as authorized by section 15 of the Act of August 2,
9 1946 (5 U. S. C. 55a) ; at least \$250,000 to be available
10 exclusively for procurement by contract of things and services
11 related to design, development, and construction of equip-
12 ment used in postal operations, and for contracts for manage-
13 ment studies; rewards for information and services concerning
14 violations of postal laws and regulations, current and prior
15 fiscal years, in accordance with regulations of the Postmaster
16 General in effect at the time the services are rendered or
17 information furnished; and expenses of delegates designated
18 by the Postmaster General to attend meetings and congresses
19 for the purpose of making postal arrangements with foreign
20 governments pursuant to law; and the expenses of delegates
21 provided for herein and not to exceed \$20,000 for rewards,
22 as provided for herein, shall be paid in the discretion of the
23 Postmaster General and accounted for solely on his certificate;
24 \$22,000,000.

1 POSTAL OPERATIONS

2 For expenses necessary for postal operations, not other-
3 wise provided for, and for other activities conducted by the
4 Post Office Department pursuant to law, including at least
5 \$500,000 to be available exclusively for manufacture and
6 procurement of improved devices for postal operations and
7 other activities; storage and repair of vehicles owned by,
8 or under control of, units of the National Guard and de-
9 partments and agencies of the Federal Government where
10 repairs are made necessary because of utilization of such
11 vehicles in the postal service, and not in excess of \$500,000
12 to carry out the purposes of Public Law 513, approved
13 July 11, 1952; \$2,229,450,000: *Provided*, That not to
14 exceed 5 per centum of any appropriation available to
15 the Post Office Department for the current fiscal year may
16 be transferred, with the approval of the Bureau of the Budget,
17 to any other such appropriation or appropriations; but the
18 appropriation "General Administration" shall not be in-
19 creased by more than \$10,000,000 as a result of such trans-
20 fers: *Provided further*, That functions financed by the ap-
21 propriations for the current fiscal year for "General Ad-
22 ministration" and for "Postal Operations," and the amounts
23 appropriated therefor, may be transferred, in addition to
24 the appropriation transfers otherwise authorized in this Act

1 and with the approval of the Bureau of the Budget, between
2 such appropriations to the extent necessary to improve
3 administration and operations.

4 TRANSPORTATION OF MAILS

5 For payments for transportation of domestic and foreign
6 mails by air, land, and water transportation facilities, includ-
7 ing current and prior fiscal years settlements with foreign
8 countries for handling of mail; and for expenses, exclusive
9 of personal services, necessary for operation of Govern-
10 ment-owned highway post office transportation service;
11 \$573,620,000.

12 CLAIMS

13 For settlement of claims, pursuant to law, current and
14 prior fiscal years, for damages (28 U. S. C. 2672; 31
15 U. S. C. 224c) ; losses resulting from unavoidable casualty
16 (39 U. S. C. 49) ; loss of or damage to mail, and failure to
17 remit collect-on-delivery charges (5 U. S. C. 372; 39
18 U. S. C. 244, 245a-1, 245b-1, 245d-1, 381, 382, 387) ;
19 and domestic money orders more than one year old (31
20 U. S. C. 725k) ; \$7,180,000.

21 GENERAL PROVISIONS

22 SEC. 202. Appropriations made in this title for general
23 administration and for postal operations shall be available
24 for examination of estimates of appropriations in the field.

25 SEC. 203. Appropriations made in this title, except those

1 for payment of claims, shall be available for expenditures in
2 connection with accident prevention.

3 SEC. 204. Appropriations made in this title available
4 for expenses of travel shall be available, under regulations
5 prescribed by the Postmaster General, for expenses of at-
6 tendance at meetings of technical, scientific, professional, or
7 other similar organizations concerned with the function or
8 activity for which the appropriation concerned is made.

9 SEC. 205. This title may be cited as the "Post Office
10 Department Appropriation Act, 1954".

11 TITLE III—GENERAL PROVISIONS

12 SEC. 301. No part of any appropriation contained
13 in this Act shall be used to pay the salary or wages
14 of any person who engages in a strike against the
15 Government of the United States or who is a member
16 of an organization of Government employees that as-
17 serts the right to strike against the Government of the
18 United States, or who advocates, or is a member of an
19 organization that advocates, the overthrow of the Govern-
20 ment of the United States by force or violence: *Provided,*
21 That for the purposes hereof an affidavit shall be considered
22 prime facie evidence that the person making the affidavit has
23 not contrary to the provisions of this section engaged in a
24 strike against the Government of the United States, is not a
25 member of an organization of Government employees that

1 asserts the right to strike against the Government of the
2 United States, or that such person does not advocate, and
3 is not a member of an organization that advocates, the over-
4 throw of the Government of the United States by force or
5 violence: *Provided further*, That any person who engages
6 in a strike against the Government of the United States or
7 who is a member of an organization of Government em-
8 ployees that asserts the right to strike against the Govern-
9 ment of the United States, or who advocates, or who is a
10 member of an organization that advocates, the overthrow of
11 the Government of the United States by force or violence
12 and accepts employment the salary or wages for which are
13 paid from any appropriation or fund contained in this Act
14 shall be guilty of a felony and, upon conviction, shall be fined
15 not more than \$1,000 or imprisoned for not more than one
16 year, or both: *Provided further*, That the above penalty
17 clause shall be in addition to, and not in substitution for,
18 any other provisions of existing law.

19 SEC. 302. This Act may be cited as the "Treasury
20 and Post Office Departments Appropriation Act, 1954".

Passed the House of Representatives May 14, 1953.

Attest:

LYLE O. SNADER,

Clerk.

83d CONGRESS
1st Session

H. R. 5174

[Report No. 373]

AN ACT

Making appropriations for the Treasury and
Post Office Departments for the fiscal year
ending June 30, 1954, and for other purposes.

MAY 15, 1953

Read twice and referred to the Committee on
Appropriations

JUNE 8, 1953

Reported with amendments

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued
For actions of

June 11, 1953
June 10, 1953
83rd-1st, No. 106

CONTENTS

Agri'l Adjustment Act.....234,35	Housing.....4	Roads.....2,27,38
Appropriations.....2,40,41	Interest rates.....4,14	R.E.A. loans.....2,10
Conservation.....22	Lands, grazing.....20	Small business.....5
Disaster relief.....40	Livestock.....12,21,28	Sugar.....6
Economic controls.....1	Marketing quotas.....2	Textile industry.....7
Farm storage.....39	Nomination.....8	Trade, foreign.....6,16
Flammable fabrics.....9	Packaging.....17	Treaties.....11
Foreign aid.....15,37	Patents.....30	Veterans' benefits.....19
Government operations.....24	Prices, support.....37	Water.....29,31
Hawaii statehood.....23	Reclamation.....3,32	Wheat.....2,18,33,34,37

HIGHLIGHTS: Both Houses received President's message recommending shipment of surplus wheat to Pakistan. House Rules Committee cleared trade agreements extension bill. Senate completed final congressional action on 3rd supplemental appropriation bill. Sen. Aiken introduced bill amending wheat marketing law. Sen. Humphrey introduced and discussed bill to increase carryover and acreage allotments for corn and wheat. Sen. Aiken, and Reps. Hope, et al, introduced bills to transfer surplus wheat to Pakistan. Rep. Hagen, et al, introduced bills establishing 3-year base for determining cotton quotas, and Rep. Hagen discussed those bills. Sen. Morse introduced and discussed measure to provide timber access roads. Senate conferees were appointed on economic controls bill. Senate debated Treasury-Post Office appropriation bill.

SENATE

1. ECONOMIC CONTROLS. Sens. Capehart, Bricker, Bennett, Bush, Maybank, Fulbright, and Robertson were appointed as conferees on S. 1081, authorizing temporary economic controls (p. 6531-35). House conferees have not yet been appointed.
2. APPROPRIATIONS. Adopted the conference report on H.R. 4664, third supplemental appropriation bill for 1953 (p. 6539). This bill will now be sent to the President. The bill includes the following items for this Department: \$3,150,000 (to be derived by transfer from any other appropriations available to the Department) to begin formulation of acreage-allotment and marketing-quota programs on wheat and cotton; \$5,000,000 for construction of timber access roads to permit removal of insect-infested and insect-killed trees in Montana and Idaho; and \$7,500,000 for the rural telephone loan program.
Began debate on H.R. 5174, Treasury-Post Office appropriation bill for 1954 (pp. 6539-40, 6542-46, 6549-51, 6554).

3. RECLAMATION. The Interior and Insular Affairs Committee reported without amendment S. 2097, to increase to \$33 million the authorization for construction of the Eklutna Project, Alaska (S. Rept. 383) (pp. 6497-98).

Received an Oklahoma Legislature resolution requesting that gas-production companies in the Guymon-Hugoton field be permitted to deliver natural gas to irrigation farmers in the area to help alleviate drought without being classified as a utility company (p. 6491).

4. HOUSING. The Banking and Currency Committee reported with amendments S. 1993, to amend the National Housing Act and the Servicemen's Readjustment Act of 1944 with respect to maximum interest rates (S. Rept. 386) (p. 6495).

5. SMALL BUSINESS. The Rules and Administration Committee reported a resolution increasing the limit of expenditures for the Select Committee on Small Business (p. 6495).
6. SUGAR; FOREIGN TRADE. Received the treaty, dated Aug. 31, 1952, prolonging the international agreement regarding regulation and marketing of sugar, signed at London, May 6, 1937 (Ex. L, 83d Cong.) (p. 6554).
7. TEXTILE INDUSTRY. Sen. Maybank spoke on the rising economic position of the South, emphasizing the growth and development of the textile industry there (pp. 6535-39).
8. NOMINATION of Nelson Aldrich Rockefeller as Under Secretary of Health, Education, and Welfare was confirmed (p. 6556).
9. FLAMMABLE FABRICS. The Interstate and Foreign Commerce Committee ordered reported (but did not actually report) without amendment H.R. 5069, to prohibit the movement in interstate commerce of highly flammable fabrics (p. D535).
10. ELECTRIFICATION. Received an amendment to the agricultural appropriation bill submitted by Sen. Young to increase to 20% the amount of money which may be allocated to a State from the REA contingency fund for rural electrification (p. 6490).
11. TREATIES. Sen. Brieker inserted two resolutions and an editorial in favor of his proposed constitutional amendment to limit the treaty-making power (pp. 6491-92).
12. CATTLE INDUSTRY. Sen. Thye inserted an American National Cattlemen's Association memorial to Congress and the Secretary setting forth the proposals by which the cattle industry is attempting to find a solution to its problems (pp. 6493-94).
13. EXPENDITURES. Sen. Schoeppel inserted a Wichita Manufacturers' Club resolution urging Congress to eliminate wasteful operations and unnecessary spending, and to reduce the size and activities of the Federal Government (p. 6494).
14. INTEREST RATES. Sens. Humphrey, Morse, Maybank, Goldwater, and others, discussed recent increased interest rates, and Sen. Humphrey recommended a congressional investigation on the effects of this new policy on our economy (pp. 6511-31). During discussion of this matter Sen. Humphrey stated, "the new administration dealt a double-barreled blow at agriculture through its new high-interest rate policy" by a boost in interest rates on CCC supported loans and on foreign purchases of agricultural commodities by the Export-Import Bank (pp. 6525-6).

HOUSE

15. FOREIGN AID. Both Houses received the President's message recommending authorization for shipment of up to 1 million tons of surplus CCC wheat to Pakistan; to H. Agriculture and S. Agriculture and Forestry Committees (H. Doc. 171) (pp. 6540, 6563-4). The message states, "To make it available to Pakistan will create no additional Government expenditure at this time other than the cost of transportation. In order that the operations of the Commodity Credit Corporation will not be impaired, I am recommending that the legislation include authority for the Commodity Credit Corporation to recover its costs, including

social-welfare schemes, they have stifled industrial initiative by running up the costs of doing business? Have they, either blindly in their altruism, or in surrendering to various kinds of pressures, lost the sense of economic balance? Have they saddled themselves with burdens too heavy for their industries to bear, in the face of the competitive situation both domestically and abroad?

If so, it is hardly for them to point a finger of scorn and to shout, "Unfair!" at those regions where business foresight has permitted technological progress to be passed on in good measure to the consumer in the form of lower and competitive prices for products. Nor can any good come of inviting one region to transfer the faults and ailments which caused its hardships to other regions that are proving more adaptable for certain industries.

Instead, it is my opinion that if any such region or section exists in America, it would be well advised to take courage from the example of dynamic Americanism which the new industrial South offers. Courage, yes, and inspiration and counsel.

Freedom and opportunity; youthfulness and vigor; fair measure given for fair value received. These are the watchwords of southern industry. This, after all, is what most Americans are striving for—a constantly higher scale of living, more and better products and the money with which to buy a fair share of them. If all industry, labor, and agriculture can move ahead together toward this greater goal, the well-being and security of the entire national community will ever be uplifted, and America need never fear for the future.

ORDER FOR RECESS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that when the Senate completes its business this afternoon, it recess until noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

THIRD SUPPLEMENTAL APPROPRIATIONS, 1953—CONFERENCE REPORT

Mr. BRIDGES. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4664) making supplemental appropriations for the fiscal year ending June 30, 1953, and for other purposes. I ask unanimous consent for the immediate consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report. (For conference report, see CONGRESSIONAL RECORD of June 8, 1953, p. 6420.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the report was considered and agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing

its action on certain amendments of the Senate to House bill 4664, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
June 9, 1953.

Resolved, That the House recede from its disagreement to the amendments of the Senate Numbered 1, 6, 7, 10, 12, 13, 15, and 20 to the bill (H. R. 4664) entitled "An act making supplemental appropriations for the fiscal year ending June 30, 1953, and for other purposes," and concur therein; that the House recede from its disagreement to the amendment of the Senate No. 19, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"ECONOMIC STABILIZATION AGENCY "SALARIES AND EXPENSES

"The amount made available under this head in the Supplemental Appropriation Act 1953, for the Office of Rent Stabilization is hereby increased from '\$11,000,000' to '\$11,385,000': *Provided*, That said increase of \$385,000 shall be available only for terminal leave and shall not be used for such payment unless the Administrator shall personally certify the payment of such leave."

Mr. BRIDGES. I move that the Senate concur in the amendment of the House to Senate amendment No. 19.

The motion was agreed to.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATIONS, 1954

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the unfinished business may be temporarily laid aside, and that calendar No. 377, H. R. 5174, the Treasury and Post Office Departments appropriations bill, may be taken up at this time.

Mr. DOUGLAS. Mr. President, reserving the right to object, may I ask the distinguished acting majority leader when the bill, report, and hearings were made available?

Mr. KNOWLAND. Mr. President, it is now proposed that the bill be taken up by unanimous consent because only 2 days have elapsed since the bill was reported by the Senate Committee on Appropriations. In the normal course of events, tomorrow would be the day when the bill would be called up. However, the Senate Committee on Appropriations has reported no amendment whatever to the bill as it passed the House. The committee has not raised or lowered the amount by a dollar. The committee has neither added nor subtracted any language, either in the form of legislation on an appropriation bill or otherwise. Under those circumstances, I wonder if the Senator from Illinois would not be willing to have the bill taken up at this time, since it was reported on Monday.

Mr. DOUGLAS. At what hour on Monday?

Mr. KNOWLAND. In the afternoon.

Mr. DOUGLAS. Only two calendar days have elapsed since then.

Mr. KNOWLAND. Frankly, I say to the Senator from Illinois that I fully realize that any Senator may raise objection to having the bill called up at this time. In the unusual situation that the bill as it came from the House has not been changed by the Senate com-

mittee, I was hopeful the Senate might consider the Treasury-Post Office appropriation bill, in the interest of expediting the business of the Senate, and in the hope that if we dispose of it and a number of other bills which are now before the Senate, we might then be able to recess from Thursday to Monday, in order to give the Committee on Foreign Relations an opportunity to work on the mutual aid bill, and afford a similar opportunity to some other committees, the members of which have been trying to be both on the floor and in hearings at the same time.

Mr. DOUGLAS. It is not my intention to delay the procedure of the Senate, and in this instance I shall not object to the unanimous-consent request of the Senator from California. However, in general I think it is very important that Senators be given three full days in which to study appropriation bills, the hearings on them, and the reports, as prescribed by section 139 (a) of the standing rules of the Senate.

With the understanding that the contemplated procedure will not constitute a precedent, and that in the future three full calendar days will be afforded Senators for consideration of appropriation bills and for study of necessary documents, I shall not object in this instance. However, in the future I shall raise points of order.

Mr. KNOWLAND. I thank the Senator from Illinois.

Mr. MORSE. Mr. President, reserving the right to object, I understand, of course, that the acting majority leader cannot say how long it will take to dispose of the bill, but I wish to ask him for his best estimate, because I should like to know whether he thinks it will be possible for us to begin consideration of the bill relating to the District of Columbia before the afternoon is over.

Mr. KNOWLAND. As the distinguished Senator from Oregon can appreciate, I have no way of estimating. I understand some amendments may be offered to the appropriation bill, inasmuch as the bill as reported by the committee is in the form in which it came from the House; but I do not believe it will be necessary to pursue the course which was followed in the case of the State, Justice, and Commerce appropriation bill. However, whether the Treasury-Post Office bill can be disposed of in 1 hour or 2 hours I am simply in no position at this moment to say. I am certain the Senator from Oregon appreciates that.

Mr. MORSE. Does the Senator contemplate that when action is completed on the Treasury-Post Office appropriation bill, which he now asks to have made the unfinished business of the Senate, we shall take up the District of Columbia crime bill?

Mr. KNOWLAND. I should say that if the unexpected happened, and the appropriation bill was quickly disposed of, as on rare occasions I have seen an appropriation bill finished, we would then take up and at least begin debate on the District of Columbia crime bill; otherwise, we shall take it up tomorrow,

immediately following completion of action on the appropriation bill.

Mr. MORSE. I shall not object, but it is necessary for me to leave the city on a late plane tomorrow night. I find myself in disagreement with the mandatory section of the District of Columbia crime bill, and I have a body of data which I wish to present to the Senate in opposition to that provision of the bill. I may find it necessary during the course of the debate on the appropriation bill to make my record against the mandatory sentencing section of the District crime bill, because I necessarily must leave here tomorrow night so that I may speak to the Democrats of my State on Friday night.

Mr. KNOWLAND. Of course, the Senator will have the privilege, if he feels that time is running out on him, to obtain the floor in his own right.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 5174) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1954, and for other purposes.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded, and that further proceedings under the call be dispensed with.

The PRESIDING OFFICER (Mr. FLANDERS in the chair). Without objection, it is so ordered.

FEDERAL AID IN TORNADO-STRICKEN AREAS IN MASSACHUSETTS

Mr. SALTONSTALL. Mr. President, since the Senate convened today I have talked with the Governor of Massachusetts, Governor Herter, who spoke from the city hall in Worcester. He informs me that he has sent a telegram to the President of the United States advising him that he has declared an emergency in the city of Worcester. The President's office advises me that the matter has been referred to the Civil Defense Department, under former Governor Peterson.

There is available approximately \$20 million for the entire United States. It is estimated, according to the Governor of Massachusetts, that the damage from the tornado in Massachusetts, in towns outside Worcester is approximately \$30 million. In the city of Worcester the assessors estimate the damage to be somewhere between \$30 million and \$50 million.

At the request of the Governor of Massachusetts on behalf of myself and my colleague, the junior Senator from Massachusetts [Mr. KENNEDY], I ask unanimous consent to submit a resolution and request that it be referred to the Senate Committee on Appropriations

in order that, after proper consideration, and as soon as possible, when the amount is determined and when a determination is made as to the appropriate aid from the Federal Government in one of the worst catastrophes we in Massachusetts have ever suffered, proper assistance may be rendered by the Federal Government.

The PRESIDING OFFICER. Without objection, the resolution will be received and appropriately referred.

The resolution (S. Res. 118) submitted by Mr. SALTONSTALL (for himself and Mr. KENNEDY) was referred to the Committee on Public Works, as follows:

Resolved, That the President is requested to make available, from any funds heretofore or hereafter appropriated to carry out the act entitled "An act to authorize Federal assistance to States and local governments in major disasters, and for other purposes," approved September 30, 1950, not less than \$25 million for assistance to the State of Massachusetts, the city of Worcester, Mass., and neighboring cities and towns to alleviate hardship and suffering and to repair property damage caused by the tornado which struck the area in the vicinity of Worcester on June 9, 1953.

TRANSFER OF PRICE-SUPPORT WHEAT TO PAKISTAN—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 171)

The PRESIDING OFFICER (Mr. FLANDERS in the chair). The Chair lays before the Senate a message from the President of the United States relating to the shipment of wheat to Pakistan. Inasmuch as the message has been read in the House of Representatives today, it is not necessary to have it read in the Senate. Without objection, the message will be referred to the Committee on Agriculture and Forestry without reading.

(For text of message from the President, see House proceedings of today's RECORD.)

Mr. AIKEN. Mr. President, in relation to the message from the President of the United States which was just laid before the Senate, on behalf of myself, the Senator from California [Mr. KNOWLAND], the Senator from New Jersey [Mr. SMITH], and the Senator from Ohio [Mr. TAFT], I ask unanimous consent to introduce for appropriate reference a bill to provide for the transfer of price-support wheat to Pakistan.

The PRESIDING OFFICER. Without objection, the bill will be received and appropriately referred.

The bill (S. 2112) to provide for the transfer of price-support wheat to Pakistan, introduced by Mr. AIKEN (for himself and other Senators), was referred to the Committee on Agriculture and Forestry.

ADDRESS BY THE PRESIDENT AT MINNEAPOLIS, MINN.

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an address which was delivered this afternoon at Minneapolis, Minn., by the President of the United States.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY THE PRESIDENT DELIVERED AT THE ANNUAL CONVENTION OF THE NATIONAL JUNIOR CHAMBER OF COMMERCE

I thank you sincerely for the honor of your invitation to be with you today.

Yours is one of our Nation's most distinguished and enterprising organizations. You are young and responsible people, with impressive careers and achievements already recorded to your credit. My own life has been spent with America's young people. The grave decisions that I have been compelled to make have been vindicated by their skill, their sense of responsibility, and their sacrifice. My faith in them is my unbounded faith in America itself.

Because you are both young and responsible, you know what is your greatest responsibility of all—tomorrow—the whole future of freedom.

In the minds of all of you—as in my own mind—is a long list of critical subjects confronting our people today. I wish I could discuss all of them with you—the problems of healthy foreign trade; the regulation of Government expenditures; the achieving of a more just tax structure; the development of sound agricultural programs; the great work to be done in the fields of education, health and welfare.

There is, however, one matter that overshadows all of these. It is the constant, controlling consideration in our national life today. It is—our Nation's security.

Quickly we can see how this one issue effectively rules all others. It alone comes close to fixing the level of Government budgets—when 2 of every 3 dollars spent by our Federal Government go to defense purposes. It thereby almost automatically sets the requirements for Federal taxes. It directly affects the welfare of our farms, so dependent upon wide opportunities for export. And it is intimately bound up with foreign trade—for our own imports of such critical products as nickel and cobalt and mica are essential to our national security.

It is no wonder that our national security is so vast a matter—for the struggle in which freedom today is engaged is quite literally a total and universal struggle. It engages every aspect of our lives. It is waged in every arena in which a challenged civilization must fight to live.

It is a military struggle—on the battlefields of Korea, of Indochina, or Malaya.

It is an economic struggle—in which the equivalent of a lost battle can be suffered in a ruined rice crop in Asia, or in the lagging of a critical production line in America.

It is a political struggle—speaking at the conference tables of the United Nations, in the daily diplomatic exchanges that flood the cable wires and telephone lines of the world.

It is a scientific struggle—in which atomic energy plants and colossal research projects can produce terrible wonders matching in fateful effect the inventions of the wheel or of gunpowder.

It is an intellectual struggle—for the press and the radio, every spoken and printed word, can either inspire or weaken men's faith in freedom.

It is a spiritual struggle—for one of communism's basic assumptions about the nature of men is that they are incapable of ruling themselves, incapable of attaining the spiritual standards and strength to solve national problems when these require voluntary personal sacrifice for the common good. This is the Communist justification for regimentation. All this we deny. And we must seek in our churches, our schools, our homes and our daily lives the clearness of mind and strongness of heart to guard the chance to live in freedom.

For this whole struggle, in the deepest sense, is waged neither for land nor for food nor for power—but for the soul of man himself.

These are real, tough facts—not mere poetic fancies. They are facts as true and as compelling as any airplane production schedules, or the firepower of our guns, or the armor of our tanks, or the speed of our jets.

I cannot presume today to speak of all aspects of so vast, so all-embracing, so total a struggle—not of all the truths that must, I believe, guide us steadfastly.

I wish to speak simply of two of these truths.

The first is this: our military strength and our economic strength are truly one—and neither can sensibly be purchased at the price of destroying the other.

The second is this: this Nation and all nations defending freedom, everywhere in the world, are one in their common need and their common cause—and none can sanely seek security alone.

The first of these truths concerns our military posture of defense.

The second concerns our whole concept and conduct of world affairs.

Let us consider each of them briefly for the mere assertion of a general truth proves nothing and convinces no one.

The central problem of our military defense is not merely to become strong—but to stay strong. The reason is obvious; we cannot count upon any enemy striking us at a given, ascertainable moment. We live, as I have said before, not in an instant of peril but in an age of peril—a time of tension and watchfulness.

The defense against this peril, then, must be carefully planned and steadfastly maintained. It cannot be a mere repetition of today's reflex to yesterday's crisis. It cannot be a thing of frenzies and alarms. It must be a thing of thought and order and efficiency.

Precisely such a defense is now being built for our country. I personally believe it does several things. It soberly promises more efficient military production. It realistically assesses our long-term economic capacity. It demands the elimination of luxury, waste, and duplication in all military activity. And it allocates funds as justly and wisely as possible among the three armed services.

Concretely: these defense plans allocate 60 cents out of every defense dollar to air power. With the enactment of pending legislation our Air Force will have available for its expenditure more than \$40 billion. By mid-1954 its strength will total 114 wings. At the same time the air arm of the Navy will command a full half of all the funds available to the entire Naval Establishment. The Navy and Marine air arms will alone total almost 10,000 planes. All this—I believe—promises both powerful air defense and a no less powerful deterrent to any would-be aggressor.

Greater efficiency in production will give us less costly production schedules—and something even more vital: fewer planes "on order," more planes in the air. Today typical production schedules require 26 months for a B-47, 34 months for a B-52. We believe that such schedules can be reduced to something like 18 months. I repeat: That will mean fewer planes in theory, more planes in fact—more swiftly and less expensively.

How many planes—how many divisions—how great a Navy—should we have? Such questions are, these days, earnestly and fervently debated by advocates of different theories, as well as a fair number of self-appointed experts.

All this is healthy and proper enough—provided we do not lose sight of certain elemental facts.

First: We must remember always that reasonable defense posture is not won by juggling magic numbers—even with an air of great authority. There is no wonderfully sure number of planes or ships or divisions—or billions of dollars—that can automati-

cally guarantee security. The most uncompromising advocates of such magic numbers have themselves changed their calculations almost from year to year. Such changes are reasonable, as technological advance requires. But the insistence that the latest change is final, definitive, and unchallengeable—that is not reasonable.

Second: We must remember that all our plans must realistically take account—not just this year but every year—of colossal and continuing technological change. We are living in a time of revolution in military science. Today 25 aircraft equipped with modern weapons can—in a single attack—visit upon an enemy as much explosive violence as was hurled at Germany by our entire air effort throughout 4 years of World War II.

And a third serious truth about our military defense is this: There is no such thing as maximum security short of total mobilization. This would mean regimentation of the worker, the farmer, the businessman—allocation of materials—control of wages and prices—drafting of every able-bodied citizen. It would mean, in short, all the grim paraphernalia of the garrison state.

This would do more damage than merely to strain the economic fabric of America.

It would—if long sustained—imperil the very liberties we are striving to defend.

And it would ignore that most elemental truth—the fact that this total struggle cannot be won by guns alone.

I do not believe—in a word—that we can wisely subscribe to what I would call the "all-out" military theory of defense—ignoring the other defenses we must build and hold.

There is another theory of defense—another oversimplified concept—which I believe equally misleading and dangerous. It is what we might call the "fortress" theory of defense.

Advocates of this theory ask: Why cannot the strongest Nation in the world—our country—stand by itself? What does the United Nations matter? And particularly in Asia, where so many of our sons have died in freedom's name, why cannot we make our own decisions, fight, and stand as only we ourselves may choose?

There are many answers. I shall give but a few.

A total struggle—let us never forget it—calls for a total defense. As there is no weapon too small—no arena too remote—to be ignored, so there is no free nation too humble to be forgotten. All of us have learned—first from the onslaught of Nazi aggression, then from Communist aggression—that all free nations must stand together, or they shall fall separately. Again and again we must remind ourselves that this is a matter not only of political principle but of economic necessity. It involves our need for markets for our agricultural and industrial products, our need to receive in turn from the rest of the world such essentials as manganese and cobalt, tin, and tungsten.

This essential, indispensable unity means compromise—always within a clearly defined, clearly understood framework of principle. We know the need of compromise, in harmony with basic principles, within our own Nation. It is the essence of the democratic process. We should not be surprised that it applies just as vitally among nations—in the wide community of the world's free peoples.

How, where, can there be retreat from this unity? Surrender Asia? That would mean leaving a vast portion of the population of the entire world to be mobilized by the forces of aggression. Surrender Europe? That would mean more than doubling the industrial power of those same forces.

Who is there who thinks that the strength of America is so great—its burdens so easy,

its future so secure—that it could make so generous a gift to those challenging our very lives?

There is no such thing as partial unity. That is a contradiction in terms.

We cannot select those areas of the globe in which our policies or wishes may differ from our allies—build political fences around these areas—and say to our allies: "We shall do what we want here, and where you do what we want, there and only there shall we favor unity." That is not unity. It is dictation. And it is not the way free-men associate.

We all hear—in this connection—a good deal of unhappy murmuring about the United Nations. It is easy to understand the dismay of many. None of us is above irritation and frustration over the seemingly vain and tedious processes of political discourse in times of great crisis.

But none of us can rightly forget that neither the world—nor the United Nations—is or can be made in a single image of one nation's will or idea. The fact is that from its foundation the United Nations has seemed to be 2 distinct things to the 2 worlds divided by the Iron Curtain. To the Communist world it has seemed a convenient sounding board for their propaganda, a weapon to be exploited in spreading disunity and confusion. To the free world it has seemed that it should be a constructive forum for free discussion of the world's problems, an effective agency for helping to solve those problems peacefully.

The truth is that even if the United Nations were to conform to the concept held by the free nations, it would still be bound to show infinite variety of opinion, sharp clashes of debate, slow movement to decision. For all this is little more than a reflection of the state of the world itself. An image of perfect symmetry would be a distorted image—the false creation of some nation's or some bloc's power politics. And perhaps the greatest worth of the United Nations is precisely this: It holds up a mirror in which the world can see its true self. And what should we want to see in such a mirror but the whole truth—at such a time of total struggle?

There are—as you see—certain common denominators to all that I have said, certain constant thoughts I believe to be consistently relevant in facing our tomorrow.

We must see clearly that all the problems before us—from farm exports to balanced budgets, from taxes to the vital resources for our industry—all are dependent on our Nation's security. And in this real way freedom's great struggle touches all of us alike—farmer and businessman, worker and student, pastor and teacher.

We know this to be true because we know that there is but one struggle for freedom—in the market place and in the university, on the battlefield and beside the assembly line.

We know that strength means being strong in all these ways and places.

We know that unity means comradeship, patience, and compromise among all free nations.

And we know that only with strength and with unity is the future of freedom assured. And freedom, now and for the future, is our goal.

TRIBUTE TO SENATOR TAFT

Mr. JOHNSON of Texas. Mr. President, I know there is not a Senator on either side of the aisle who did not receive with deep personal regret the news that the Senator from Ohio [Mr. Taft] will not act as majority leader for the remainder of this session. It is a loss to me personally and to those who sit on this side of the aisle with me.

No more honorable man than Bob TAFT ever served as a Senator or as Senate leader of any party. No man has ever been more fair or unvaryingly considerate in dealing with Members of a minority. I do not know of any man anywhere for whom I have greater personal respect.

As majority leader, BOB TAFT has been a man with whom you could reason—a man who would go out of his way to reason with you.

The closeness with which the majority leader and the minority leader have worked together during these past few months has at times called forth some surprised comment from the press and radio.

There has never been any reason for surprise to be expressed about the cooperation between the majority leader and the minority leader. I have never known a man to whom cooperation came more readily—a man with whom it was easier to cooperate.

Mr. President, I am well acquainted with the senior Senator from California [Mr. KNOWLAND] who will act as Republican leader for the remainder of the session. I know him not only as a fine gentleman personally but as an able and conscientious Senator. In my service with him on the Armed Services Committee, I have been impressed again and again with his patriotism and his great ability. It will be a pleasure and a privilege to work with the distinguished Senator from California.

Mr. President, the beloved Senator from Ohio has simply temporarily stepped aside as majority leader, due to force of circumstances. I know that he will be working hard—as he has always worked—for the good of our country.

Mr. KNOWLAND. On behalf of the Members of the majority I wish to express appreciation for the very fine remarks of the minority leader regarding the majority leader, BOB TAFT.

I think the RECORD should clearly show that BOB TAFT is only temporarily vacating his desk while he is obtaining some additional medical treatment. The Senator from Ohio, I am pleased to say, plans to attend the sessions of the Senate and meetings of committees, and will attend at the weekly White House conferences with the President of the United States.

I join with the distinguished minority leader in saying that even for the period during which he will be temporarily absent from his seat he will be missed by the Members on both sides of the aisle, who, I know, hold him in very highest regard and esteem.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATIONS, 1954

The Senate resumed the consideration of the bill (H. R. 5174) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1954, and for other purposes.

Mr. McCARTHY. Mr. President, as chairman of the subcommittee which considered the appropriations for the

Treasury and Post Office Departments, I should first like to express my appreciation to the members of the subcommittee, both Democrats and Republicans, for their complete and wholehearted nonpartisan cooperation in the subcommittee in marking up the bill and in attempting to cut out all the fat that was possible to be cut out.

The bill as reported to the Senate is \$127,983,000 below the Truman-requested budget.

In considering the appropriations for the Treasury Department the committee was very careful to allow sufficient funds for the law-enforcement activities of the Treasury Department.

In that connection, I should like specifically to call to the attention of the Collector of Internal Revenue a passage in our report, which reads:

The committee is anxious to provide the Bureau of Internal Revenue with funds for the adequate investigation and audit of tax returns. If in the best judgment of the Secretary of the Treasury the amount contained in this bill is insufficient for this particular the committee will consider a supplemental request.

Mr. President, I should like also at this time to compliment Secretary Humphrey, Internal Revenue Commissioner Andrews, and Postmaster General Summerfield for the excellent job they did in making the committee's task easier. They used a sharp knife on all budgets, and they cut out a great deal of fat. By doing so they made our task much lighter.

I may say that the House made certain reductions below what the present administration had requested. We discussed those reductions with the Secretary of the Treasury and with the Postmaster General. We received the impression that they had no serious objection to the reductions. Therefore the committee unanimously accepted the bill as passed by the House. I do not believe there is anything further to add to what I have stated, except to say I feel that we have cut from the appropriation bill about as much fat as could possibly be cut.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. MAYBANK. I concur in what the Senator from Wisconsin has stated with respect to the bill being in agreement with the House figures. With the Senator from Wisconsin, I was on the subcommittee which prepared the bill.

I wish to add a word of commendation of the Postmaster General, and in doing so I speak as the ranking minority member of the subcommittee. The report which the Postmaster General made was an excellent one. He stated that the only way the Post Office budget could be balanced would be by charging higher rates for some types of mail, particularly for newspapers and for advertisements which are being promiscuously sent and which most people do not have the time to read. I commend the Postmaster General for suggesting how it should be done, namely, by the appropriate legislative committee, instead of by indirection, as a rider on an appro-

priation bill. The Postmaster General did well in making that recommendation, thus avoiding the fight we have had for years with respect to what rates should be charged for that type of mail.

I hope Senators will realize that we can never balance the Post Office budget—and I think the Senator from Wisconsin will agree with me—unless we make up the difference by raising the charges for third- and fourth-class mail. The losses are very heavy, and much of the material sent through the mail in that way is never read by the people to whom it is addressed.

I ask the distinguished Senator from Wisconsin if he will have that part of the report made a part of the RECORD.

Mr. McCARTHY. I think that is an excellent idea.

Mr. MAYBANK. I should like to have it made a part of the RECORD, because it shows where all the money is lost.

I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the excerpt from the report was ordered to be printed in the RECORD, as follows:

POSTAL DEFICIT

The committee has been very much disturbed by the tremendous deficits incurred by the Post Office Department over the past several years. In the fiscal year 1952, on which details are available, a large portion of the deficit of \$727,050,218 is reflected in the handling of second, third, and fourth class mail. The loss in second-class mail, for newspapers and periodicals, is shown as \$240,386,260; for third-class mail, concerned with books and circulars, \$191,913,098; and in fourth-class mail, consisting of parcel post and all mailable items in excess of 8 ounces except newspapers and periodicals, \$153,735,441. This is a heavy burden on the taxpayer, which must be corrected, especially in view of the fact that in the fiscal year 1954 the postal service will operate at an estimated loss of \$596,700,000. The committee strongly recommends that the Postmaster General give his immediate attention to a study of all the factors involved in the postal deficit, so that legislation may be proposed to eliminate this serious problem. Further, the committee feels confident and emphasizes that the appropriate committees of Congress will extend their full assistance and cooperation to rectify this situation.

Mr. McCARTHY. I should like to comment on the great help given to the committee by the Senator from South Carolina.

Mr. MAYBANK. I gave no help, Mr. President. I appreciate what the chairman of the subcommittee did, and I appreciate what the Postmaster General did.

Mr. McCARTHY. The Senator from South Carolina has a better grasp of the situation, so far as the Post Office Department's budget is concerned, than any other Senator with whom I have worked. He has been of tremendous help.

In connection with the postal deficit, the Post Office Department lost in excess of \$240 million last year in the handling of second-class mail.

Mr. MAYBANK. Mr. President, will the Senator from Wisconsin repeat that figure, so it will be clear in the RECORD?

Mr. McCARTHY. The exact figure is \$240,386,260.

Mr. MAYBANK. That is the loss on second-class mail?

Mr. McCARTHY. Yes. Second-class mail consists of newspapers, periodicals, and so forth. The loss on third-class mail, which consists largely of books and circulars, was \$191,913,098.

Mr. MAYBANK. In other words, the loss on those two items was almost half a billion dollars?

Mr. McCARTHY. The loss was more than half a billion dollars all told, because the deficit for the handling of fourth-class mail amounted to \$153,735,441. There was a total deficit of almost three-quarters of a billion dollars—in short, \$727,050,218. This year the estimated loss will be somewhat lower, but it will still be more than half a billion dollars.

Mr. MAYBANK. I wish to commend the Postmaster General for reducing the loss. I desire to impress upon my colleagues on the Appropriations Committee and also on all Members of the Senate the absolute necessity, if we expect to balance the postal budget, of examining the situation in the case of third-class and fourth-class mail. There may be some reason for handling newspapers at a low rate, but I have particular reference to advertisements which often harass the American people, and yet are carried at a 1-cent rate, although it costs 4 cents to deliver each one of them.

Mr. LEHMAN. Mr. President, I should like to ask the chairman of the subcommittee to explain the item, on page 3 of the bill, for the Bureau of Customs. I note that a cut of \$1,500,000 is proposed in the appropriation for that Bureau. Will the Senator from Wisconsin explain what is involved in that proposed cut?

Mr. McCARTHY. That item is dealt with on page 6 of the report, I believe.

The proposed cut in the appropriation is exactly what is indicated in the report, namely, a cut in the item for salaries and expenses. The head of the agency feels he can get along with the reduced amount of funds.

I think the Senator from New York is concerned with the situation which has developed in New York. In the port of New York, 110 employees of the Bureau of Customs lost their jobs.

Mr. LEHMAN. I should like to ask the Senator from Wisconsin how many persons are involved in this situation.

Mr. McCARTHY. Let me say that we have received considerable mail from New York in regard to this matter. One hundred and ten employees of the Customs Bureau, in the port of New York, lost their jobs. However, that situation did not result from any reduction of appropriations. The Customs Bureau on its own authority sent to New York inspectors who conducted a survey, and recommended new procedures for weighing and handling merchandise. Those new procedures were put into effect, and in connection with the resultant saving, approximately 60 persons were discharged and approximately 50 were transferred to other jobs. I assume that the Senator from New York has that situation in mind. However, that particular item has nothing to do with a reduction in the appropriation.

Mr. LEHMAN. Mr. President, will the Senator from Wisconsin yield for an observation?

Mr. McCARTHY. Certainly.

Mr. LEHMAN. Of course I am concerned with the situation in New York, and I am also concerned with the situation throughout the country, in the case of the Bureau of Customs. I understand that approximately 330 or 340 jobs are involved in the cut.

Let me say we have done a great deal of talking, and I have shown great concern, about questions of fraud, collusion, smuggling, narcotics traffic, illegal immigration, and income-tax evasion. We protest against the existence of these evils, and there is no doubt that unfortunately they do exist. It seems to me it is poor economy for us to reduce the appropriations recommended for the detection or prevention of these crimes. I think there is nothing worse than the smuggling that has gone on and continues to go on. I think there is nothing worse than the narcotics traffic which is seducing many of the young people of our country.

Mr. McCARTHY. Let me say that the appropriation for the Bureau of Narcotics has not been reduced at all. We recommend for that Bureau the same amount of appropriation that was proposed in the Truman budget.

Mr. LEHMAN. I fully realize that is true in connection with the Bureau charged with the responsibility of preventing traffic in narcotics. But the great evil is that narcotics enter this country. Their illegal importation has certainly been greatly reduced as a result of the vigilance of our customs officers. I think they have done more to prevent the illegal importation of narcotics than has any other agency or body.

I believe the cut in the appropriation for the Bureau of Customs—a bureau which undertakes to prevent and detect fraud, collusion, smuggling, and the importation of narcotics—very similarly will have an effect to that brought about by the failure to provide adequate protection against illegal immigration. A million wetbacks enter the United States illegally every year. Yet because of our parsimony and our false economy we do not provide sufficient appropriations to prevent that illegal immigration or to make possible the apprehension and deportation of those who enter the country illegally.

Mr. McCARTHY. That matter has nothing whatsoever to do with the Bureau of Customs. The Senator from New York refers to immigration, but this appropriation bill does not deal at all with immigration or with wetbacks.

Mr. LEHMAN. I realize that. However, I wish to observe that the same situation exists in respect to income-tax procedure. That other day I was one of a number of Members of Congress to be addressed by the Secretary of the Treasury. He said—and, of course, I realize that the Senator from Delaware [Mr. WILLIAMS] is very familiar with this matter—that for every dollar that is spent on income-tax personnel to detect evasions or frauds, \$15 comes into the Treasury. When I was Governor of my State, I had a similar experience. The

record was about the same and I therefore recommended increased appropriations for our tax unit.

In this bill it is proposed that we do exactly what we have been doing in connection with the prevention, detection, and return of illegal immigrants who enter the United States over the Mexican border—in other words, the wetbacks—and exactly the same thing that we are doing in connection with our income-tax units. We simply do not provide these agencies with sufficient funds.

It would be great economy and would greatly add to good government if we gave these units—the Bureau of Customs, the Bureau of Internal Revenue, and the Immigration and Naturalization Service—adequate funds. I do not think the present appropriation proposal for the Bureau of Customs is sufficient.

Mr. McCARTHY. Mr. President, I believe the Senator from New York has failed to study the bill, or else he would not make the statement he has just made.

So far as funds for enforcement in connection with the income-tax unit are concerned, we are recommending the same appropriation the President has asked for in his budget.

When the Senator from New York talks about wetbacks and immigration, although of course he may talk about those matters, they have nothing whatsoever to do with the pending bill. The Bureau of Customs has nothing to do with wetbacks or with immigration.

So far as the law-enforcement branches of the various departments are concerned, I think the committee was very generous, and recommended for them all the appropriations they requested.

So far as the Bureau of Customs is concerned, we recommend exactly the appropriations which were requested by Secretary Humphrey. He says he is making a study, and he thinks he can get along with the reduced budget. If not, he intends to request a supplemental appropriation.

The Senator from New York knows that we cannot operate year after year at a tremendous deficit. We may be able to do so for 20 years, but I believe the time has come to call a halt.

For the entire bill, we have recommended reductions of only \$127,983,000 in the appropriations. It is possible that further reductions in appropriations could be made. We felt we went as far as we could.

I believe it would be ridiculous beyond words to insist upon giving a bureau head more funds than he has requested for his agency.

All the heads of the departments said to us, "We can get along with these amounts, and we can do a good job with them."

I think they can.

Mr. LEHMAN. Mr. President, will the Senator from Wisconsin yield for a brief observation?

Mr. McCARTHY. I yield.

Mr. LEHMAN. Let me say that I understand that the recommendation was for \$42 million, and now it has been reduced to \$40,500,000. I referred to

wetbacks merely because I know the Senator from Wisconsin is greatly concerned with immigration problems.

Here is a case of illegal immigration, of a million people who are coming into this country every year by merely walking across the Rio Grande River. They do not even have to wet their feet, at the present moment. Yet nothing adequate is being done to prevent the great influx, which is a far greater menace to this country than the few undesirables who may come in under the immigration law.

Mr. McCARTHY. I thank the Senator.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. WILLIAMS. In line with what the Senator from New York was saying a moment ago, I think we are all in agreement that we want to give the departments adequate means with which to carry on the enforcement of the provisions of the law. Nevertheless, I desire to point out that it is impossible to buy morality by appropriating dollars. That was brought home forcibly to the Finance Committee last year, when Mr. Chamberlain, representing the Treasury Department, testified before our committee in relation to the office in New York City, at which time I asked him whether the reduced appropriations of the 80th Congress were responsible for the breakdown in enforcement. He said that had nothing whatever to do with it. In fact, he went on further to say that, in that one office in New York there were at least from 20 to 25 percent more employees than were needed. He said that all that was needed was some good commonsense and putting to work the employees who were available.

I point out that in the Post Office Department there is much of the same situation. Senators will remember the condition we found in Boston, where the employees on the payroll in the Boston Post Office were not even reporting, but were sending others to register their cards, were collecting their salaries, and were doing absolutely no work. Conditions of that sort, multiplied throughout the country, permit not only the waste of appropriations, but also grave corruption and everything else that goes with it. I say we can cut the appropriations, and that we can not only cut them, but if we do not cut them, we are not going to have any tax reduction.

I point out that I think this particular appropriation bill could really be reduced further. It is a little less than one-sixth of 1 percent below what was appropriated last year. It is about \$5.5 million below what we appropriated for the two Departments. Surely, if there is no more than one-sixth of 1 percent of water in the appropriations for the two Departments, some of us have been voting for them unjust amounts. I think we can roll them back even beyond what the committee has already done. I think we can do it and still maintain the enforcement, divisions of the different Departments, if they will instill a little higher degree of morality at the top level, and let it percolate on down to the bottom.

Mr. McCARTHY. The appropriation requested in the pending bill is \$5,425,000 less than last year's appropriation. So the Senator from Delaware is correct in his statement. However, it is \$127,983,000 less than what Truman had requested in his budget. I wanted both those figures in the RECORD.

I may say to the Senator from Delaware in regard to the Boston situation, about which he and other Senators have asked me, that I have requested a complete report from the Post Office Department, and they have promised that the report will be forthcoming immediately, and I understand it is now available. It is a report that we could not get last year, incidentally. If the Senator from Delaware, or any other Senator, cares to have it, I shall be glad to furnish him with a copy.

Mr. LANGER and Mr. KILGORE addressed the Chair.

Mr. McCARTHY. Mr. President, I yield first to the Senator from North Dakota, after which I shall yield to the Senator from West Virginia.

Mr. LANGER. The Senator from North Dakota is concerned with the narcotics problem. Did I correctly understand from what the distinguished Senator from Wisconsin said, that the amount of the appropriation for the Narcotics Bureau has not been reduced?

Mr. McCARTHY. It has not been reduced.

Mr. LANGER. Do I correctly understand that they have the same number of employees they had before?

Mr. McCARTHY. As to the employees, I do not know. We did not reduce the funds. I believe additional employees have been put on the payroll. If the Senator will wait a second, I believe I can get the information for him. I think employees have been added. I may say that President Eisenhower did not reduce the amount which had been requested by President Truman for the narcotics program, and the committee did not reduce it. The number of employees will remain the same, 406.

Mr. LANGER. Mr. President, if the Senator will yield further, the Narcotics Act, of course, is enforced by the Bureau of Customs. I have before me the record from 1951 to 1952. The raw opium which was smuggled in, and which was detected, was 376 ounces in 1951, 3,655 ounces in 1952. Opium used for smoking increased from 181 ounces to 866 ounces; and so on. What the Senator from North Dakota is concerned with is the fact that only yesterday afternoon, the Committee on Rules and Administration adopted a resolution, approved by the Judiciary Committee, to provide \$44,000 for the investigation of juvenile delinquency. We have received reports, particularly from the State of California, and also from other places in the United States, that the Federal Government has been entirely unable to cope with the importation of narcotics. Do I correctly understand from what the distinguished Senator from Wisconsin has said, that if the amount is found to be insufficient, the committee will be perfectly willing to recommend a supplemental appropriation?

Mr. McCARTHY. Yes; I am inclined to think so, although there was no indication that sum provided would be insufficient. I was referring to other items for the Customs Bureau, which were reduced. But I, personally, would feel that, if the amount allowed proved to be insufficient, we definitely should be willing to take care of it through a deficiency appropriation.

Mr. LANGER. That is, in case it is found that the work under the Narcotics Act is not properly performed.

Mr. McCARTHY. That would be my personal thought. I do not know how the other members of the committee would feel about it.

Mr. LANGER. If the distinguished Senator should find that to be the case, would he join the Senator from North Dakota in the introduction of a bill?

Mr. McCARTHY. I should be very glad to do so.

Mr. LANGER. That is, rather than to have an amendment submitted at this time.

Mr. McCARTHY. I think it would be better to introduce a bill.

Mr. LANGER. I thank the Senator.

Mr. McCARTHY. The Senator from North Dakota has the wholehearted assurance of the Senator from Wisconsin that, if the fund allowed proves insufficient, he will support any and all necessary deficiency appropriations.

Mr. KILGORE and Mr. DWORSHAK addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Wisconsin yield, and if so to whom?

Mr. McCARTHY. I think I promised to yield to the Senator from West Virginia.

Mr. KILGORE. Mr. President, I desire to concur with the chairman of the subcommittee in saying that, in this matter, both he and I followed the recommendations of the heads of departments. As Members of the subcommittee, however, I think we should call the attention of the Senate to certain of the cuts which have been made. Is it not a fact that the item covering salaries and expenses in the Secret Service has been reduced in the present measure by \$225,000 below what was recommended; which also means approximately \$450,000 under what it was 2 years ago? I may say that does not include the appropriations for the White House guards or for the guards at military installations.

Mr. McCARTHY. The Senator's figures are correct. The reduction is approximately \$348,000.

Mr. KILGORE. That is, for the entire Secret Service; of which \$225,000 would be for what we commonly call the Secret Service, which is, of course, in this case, the force dealing with counterfeiting and other frauds against the Government.

Mr. McCARTHY. I may break it down for the Senator.

The reduction in salaries and expenses is \$225,000.

White House Police, \$68,000.

Guard force, \$55,000.

However, Mr. President, we have been assured, as I am informed, that they can get along on this reduced budget.

Mr. KILGORE. That was the assurance which impelled me to vote for the bill. I wanted to bring to the attention of Members of the Senate the fact that these reductions have taken place.

Mr. MAYBANK. Mr. President, will the Senator from Wisconsin yield?

Mr. McCARTHY. I yield.

Mr. MAYBANK. Am I correct in making the statement that the Secretary of the Treasury agreed to these reductions?

Mr. McCARTHY. That is correct.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. DWORSHAK. Several weeks ago the Government made the request that there be a 10-percent cut in Federal civilian personnel. Is it true that there is not a single dollar of reduction for general administration in this bill as compared with the 1953 appropriation for the same purpose?

Mr. McCARTHY. I am afraid I do not understand the Senator's question.

Mr. DWORSHAK. The bill shows an appropriation of \$22 million for general administration of the Post Office Department. During the current fiscal year the sum of \$22 million was appropriated for the same purpose. Is that correct?

Mr. McCARTHY. It is the same amount as was appropriated last year.

Mr. DWORSHAK. Why has there not been some reduction? Is the Post Office Department to be set aside and segregated from the general objective of cutting civilian personnel? We are dealing with general administration expense in this particular instance. Is there any justification for saying that while the President is asking all departments to cut their requests for civilian personnel approximately 10 percent, the Post Office Department is not asked to make a single reduction?

Mr. McCARTHY. Technically, the Senator from Idaho is correct, but actually I think his assumption is in error. The workload of the Post Office Department increases each year because of population increases and for other reasons.

The Truman budget called for an increase of \$2 million. He asked for an appropriation of \$24 million. We have reduced that request to \$22 million. Therefore, while on the surface there does not appear to be a reduction, I think there is a reduction which is equivalent to approximately \$2 million.

Mr. DWORSHAK. Will there be some effort made in the Post Office Department to economize and to reduce the general administrative expenses?

Mr. McCARTHY. They assured us of that.

One of the things to which the Post Office Department is now giving study is the necessary legislation to make the Post Office Department to some extent more self-sustaining. Of course, legislation will be required to make the Post Office Department self-supporting, insofar as second- and third-class mail is concerned.

Mr. DWORSHAK. And fourth-class mail.

Mr. McCARTHY. As to fourth-class mail, I think the Postmaster General has some discretion of his own.

Mr. DWORSHAK. Is the anticipated deficit approximately \$600 million?

Mr. McCARTHY. I think it is \$596,700,000.

Mr. DWORSHAK. Then, about the only way we can expect to cut down the deficit is to increase the postal rates for second-, third-, and fourth-class mail, rather than to expect any material reduction in the operating expenses of the Post Office Department.

Mr. McCARTHY. The Senator is correct to a great extent. However, a part of the deficit is not a real deficit. A part of it represents subsidies paid to airlines. The Postmaster General indicated that he agreed with the members of the committee who suggested that they should separate the payment of subsidies from the Post Office Department and have them paid out of the general Treasury fund, so that we can tell exactly how much the Post Office Department is losing.

There is also a question of more complete mechanization in the Post Office Department. We found a rather fantastic situation existing insofar as some contracts were concerned. For instance, a contract will be let for carrying the mail from one point to another. I think the star routes are in the same situation. The Post Office Department has moved very rapidly to cut out what appears to be a completely unjustified overpayment in many cases.

But the Senator from Idaho is correct, that if we are to operate the Post Office Department in the black, we shall have to increase second-, third-, and fourth-class postage rates.

Mr. DWORSHAK. Can the Senator from Wisconsin give us the approximate amount of the subsidies carried by the Post Office Department?

Mr. McCARTHY. It is impossible to do that. I asked the previous administration for that information, and they did not have it. The Postmaster General is getting information together for us. I think he estimated the subsidy to airlines at approximately \$79 million.

Mr. DWORSHAK. Does the chairman of the committee have any assurances from the Postmaster General that this problem will soon be studied and some conclusion reached, so that instead of talking every year about these recurrent deficits, some effort will be made to place the Department on a self-supporting basis?

Mr. McCARTHY. There is a very complete, detailed, and intelligent statement from the Post Office Department in which the Postmaster General covers the very point the Senator has in mind, and as to which I think the Senator from Idaho and the Postmaster General are in rather complete agreement.

Mr. WILLIAMS. Mr. President, will the Senator from Wisconsin yield?

Mr. McCARTHY. I yield.

Mr. WILLIAMS. I notice that according to the report, the number of postal employees is given as 520,903. In

March 1951 the number was 497,323. In December 1951 the number was 511,609.

I am wondering why the Department needs more employees at this time than it needed in 1951.

Mr. McCARTHY. In connection with that question, I should like to quote from the Postmaster General's statement. I, frankly, cannot answer the question myself.

The Postmaster General says:

Personnel administration is largely limited to routine recordkeeping which is not uniform or accurate, and receives completely inadequate direction or coordination from Washington.

In this connection we have found that the system of reporting numbers of employees is so inadequate that we do not know how many employees we have on our rolls or at work on any given date.

Action taken on disciplinary cases may vary widely for the same offense committed at different places or in different services.

He goes on to say that this is another of the items to which the department is giving very serious study.

Mr. WILLIAMS. Mr. President, I am rather surprised to hear that the Postmaster General does not know how many employees he has. Is it not necessary to write checks for the salaries of postal employees?

Mr. McCARTHY. This is a situation which the present Postmaster General inherited. If one inherits a barn which has not been cleaned out for 20 years, it takes more than a couple of weeks to have a nice clean-smelling barn.

Mr. WILLIAMS. I agree with the Senator, and I hope that for that reason we will apply the scoop shovel, and the ax, in some cases. I am a little concerned about what the Senator from Idaho [Mr. DWORSHAK] pointed out; namely, that we are appropriating as much for the next 12 months as we appropriated for the last 12 months. I invite attention to the fact that while there are approximately 525,000 employees in the Post Office Department, in 1934 there were only 625,000 employees in a number of departments together. It seems strange that as many employees will be required to operate this one department as were required to run the whole government 18 or 20 years ago. I think we have got to begin driving back, and the only way to do it is to cut appropriations, as we have been doing.

Mr. McCARTHY. I agree wholeheartedly with the Senator from Delaware. I think the Post Office Department has been involved in an exceedingly foul mess of incompetency and inefficiency, with waste in some cases so great that it appeared to be almost deliberate. However, I believe we must give the new Postmaster General time in which to clean up a condition which has developed over a long period of time.

I am informed that the number of employees at present is 525,000. The Senator should keep in mind that some of them are part-time employees, and others are full-time employees.

Mr. WILLIAMS. That is 5,000 more than there were in March.

Mr. McCARTHY. The Senator is correct.

Mr. WILLIAMS. I think that is why there should be a cleaning up program. We do not clean up by adding to. I think we should impress upon the new executives that if they are going to clean up, they have got to make start by turning a little different direction from the way in which they are traveling at present.

Mr. McCARTHY. While the appropriation for general administration is the same as it was last year, the Senator should keep in mind the fact that salaries have been increased, and the program actually calls for the employment of fewer people.

Mr. WILLIAMS. I do not believe salaries have been increased since appropriations were made last year.

Mr. McCARTHY. The Senator may be correct.

In connection with the Senator's statement, this appropriation calls for \$74,550,000 less for the Post Office Department than the Truman administration asked for.

Mr. WILLIAMS. I understand that. I believe the Senator from Wisconsin will agree that we have never recognized the requests of President Truman as being anywhere near those which are necessary to run the departments.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. LEHMAN. I realize that there is a separate appropriation for the Bureau of Narcotics. The establishment of that bureau was for the purpose of detecting and preventing the sale and distribution of narcotics in the United States. For many years I cooperated very closely with that Bureau, and I believe it has done excellent work.

We know that opium and many other deadly and dangerous narcotics come from abroad, and unless they are excluded from the United States through careful scrutiny by the Customs Department, it seems to me that, inevitably, the work, efficiency, and effectiveness of the Bureau which is charged with the detection and apprehension of narcotics will be tremendously multiplied.

One of the very important duties of the Customs Bureau has been to detect any attempt to import narcotics into the United States and to seize and destroy the narcotics, in that way keeping them out of the possession of persons in the United States who wished to sell them, notably to our young people, a situation which has caused great distress and great fear to all of us.

That is one of the reasons why I feel very strongly that the amount being appropriated for the Bureau of Customs, which is \$1,500,000 less than the amount appropriated last year, is inadequate.

Mr. McCARTHY. I call the Senator's attention to the fact that the Narcotics Bureau is one of the few bureaus whose appropriations were not reduced below what former President Truman requested. This is one of the few instances in which both the Eisenhower administration and the committee gave a bureau exactly what former President Truman had asked for. The Bureau seemed to be satisfied with this amount. Both the

Eisenhower administration and the Truman administration felt that the amount was sufficient. I see no reason why we should try to force additional money on the agency.

Mr. LEHMAN. Mr. President, will the Senator yield for another observation?

Mr. McCARTHY. Certainly.

Mr. LEHMAN. I believe the Senator from Wisconsin has completely misunderstood my comments. I am not trying to obtain more money for the Bureau of Narcotics, although I should like them to have an amount sufficient to do their job really efficiently. The Bureau of Narcotics has nothing whatsoever to do with the importation or smuggling of narcotics into this country. That comes under the jurisdiction of the Bureau of Customs.

Mr. McCARTHY. No; the Senator is completely incorrect. The Bureau of Customs has nothing to do with the bureau handling narcotics. Of course, the two bureaus cooperate, but the Bureau of Narcotics is a completely separate entity.

Mr. LEHMAN. I shall not argue that question with the Senator from Wisconsin. But I do say that unless the duties of the respective bureaus have changed within the past several years, I think the Senator from Wisconsin is incorrect.

During the 10 years I was Governor of New York, it was my duty to cooperate very closely with the Bureau of Narcotics. I always gave them every possible help, both in the State of New York and everywhere else that I could be of assistance. At that time the responsibility of preventing smuggling into the United States rested solely with the Bureau of Customs, as is the case with the smuggling and importation of every other article in the entire catalog. The Bureau of Narcotics was charged exclusively with the duty of detecting and apprehending the illegal purveyors of and dealers in narcotics and to bring about their punishment.

I have not at my disposal at the moment the facts to dispute the Senator from Wisconsin. However, I hope the Senator from Wisconsin will carefully survey the situation, because I cannot believe he is correct in his belief that the matter of customs in any way is left to the Bureau of Narcotics. It would be a completely illogical and unsound procedure, one quite different from that which I was acquainted with for a great many years.

Mr. McCARTHY. The Bureau of Customs has absolutely nothing with the enforcement of the narcotic law. In the inspection of baggage at ports of entry, the Bureau of Customs cooperates with the Bureau of Narcotics. I believe that is what the Senator from New York has in mind.

So when I said the Senator was in error, he was insofar as the enforcement of law is concerned. However, he is correct when he indicates that the Customs Bureau is of great aid in the enforcement of the narcotics law, although the Customs Bureau has no power or jurisdiction to enforce that law.

Mr. LEHMAN. The Senator from Wisconsin will, I am certain, agree with me that I never contended that the Bureau of Customs had any power of enforcement of the laws with regard to the sale and distribution of narcotics? Of course, I knew that it did not. That never has been so. However, I maintain, and I believe from the latest remarks by the Senator from Wisconsin, that he must agree with me, that in the duty of preventing the entry of narcotics into the United States, which is a highly important function, rests exclusively with the Bureau of Customs, not with the Bureau of Narcotics. The effectiveness of the Bureau of Customs should not be reduced.

Mr. McCARTHY. I think we would gain nothing by an extended discussion of this question. The Narcotics Bureau has the sole task of enforcing the narcotics law, and running down and apprehending violators. There is no question that the Narcotics Bureau receives some cooperation from the Customs Bureau.

Mr. President, I yield the floor.

ESPIONAGE ACTIVITIES CARRIED ON IN THE UNITED STATES BY REPRESENTATIVES OF FOREIGN GOVERNMENTS

Mr. WATKINS. Mr. President, on May 27 it was revealed through the press that the Government of the United States had ordered the expulsion of a Rumanian diplomat who had engaged in espionage activities in the United States. The Department of State has declared the First Secretary of the Rumanian Legation, one Christache Zambeti, persona non grata. I assume that there will be no delay in his departure from the United States, though I am advised that the Rumanian Government is protesting the action of our Government in this regard.

In my capacity as chairman of the Senate Subcommittee on Immigration and Naturalization of the Committee on the Judiciary, and as a member of the Senate Internal Security Subcommittee I have been increasingly concerned over the strong indications of intelligence or subversive activities carried on in the United States by aliens in the Iron Curtain country consulates and embassies. It was because of this growing concern that I recently directed inquiries to a certain Government agency, the identity of which I am not at liberty to disclose, for the purpose of procuring and developing information which would show how many officials, attachés, and affiliates of Iron Curtain consulates and embassies in the United States have records of active work for the intelligence services of their respective countries or records of other subversive activity, and also the typical patterns of such intelligence activities or other Communist or subversive activities. Similar information was sought with reference to officials, attachés, and affiliates of international organizations in this country. In addition, I endeavored to obtain details relating to the extent Iron Curtain diplomats and semi-diplomats are used for intelligence work in countries other than their homeland.

scribed in glowing colors. Every effort is made to influence emigres to return. Attacks are made against the host country and the whole Western World through speeches, whispering campaigns, publications of the diplomatic installation, and through publications and facilities of the indigenous Communist Party whose work in this field is often directed and supervised by an official using diplomatic cover.

2. Officials are charged with the encouragement of Communist Parties abroad, and the development of such parties into potential fifth-column movements. Liaison between these parties and the Communist Party of the Homeland is often maintained through an official under diplomatic cover, and he acts occasionally as an agent for the transmittal of funds, information, and Communist Party literature.

3. Officials are also concerned with the manipulation of public opinion abroad, which is attempted through the organization of pressure groups within the country, as well as through propaganda. These pressure groups are often used to oppose or exploit political, military, or judicial actions in the country, whose adoption would be contrary to the interests of the Soviet-satellite axis, or to its long-range strategic objectives.

With regard to question 8, concerning the extent to which persons in Iron Curtain consulates and embassies are used for active intelligence work in countries other than their homeland, it appears that every Iron Curtain Embassy has its complement of trained intelligence personnel. The size of the complement may vary considerably, being, of course, largest in Embassies in the important capitals, and perhaps being represented by only one individual in the smaller countries of lesser importance to the Soviet-satellite regimes. Iron Curtain consulates, as well, have their intelligence arms. This again may vary considerably in size and quality. In an important strategic location, such as a port, or large manufacturing city, the intelligence complement may be large; also in areas where there is a substantial number of emigres from the homeland. In small consulates, or one-man installations, in the absence of a trained intelligence specialist, the consuls or vice consuls themselves have generalized intelligence assignments, since they represent the eyes and ears of their homeland.

With regard to question 9, concerning the extent to which persons from Iron Curtain countries in international organizations are used for active intelligence work in countries other than their homeland, information currently available indicates that the extent of such use is considerably less than in diplomatic establishments. This statement is based on information concerning international organizations abroad only, and is not intended as a comment on the possible use of the United Nations headquarters as a base for espionage.

Apart from various arms and adjuncts of the United Nations abroad, there are few international organizations having Iron Curtain representation which meet frequently enough to provide a permanent base for sustained activity. Iron Curtain representatives to the conventions of international organizations may have limited intelligence briefs or talent spotting assignments. Such meetings seldom provide profitable targets for secret intelligence, and the representative's stay in the country where the meeting is held is usually of too short a duration for him to set up his facilities for obtaining intelligence, which is more readily procured by the intelligence official attached to the diplomatic installation within the country. While intelligence officials have been reported from time to time as attached to international organizations abroad, their work is more generalized, less clandestine, and less

technically profitable than intelligence obtained by agents using diplomatic cover in the same area.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATIONS, 1954

The Senate resumed the consideration of the bill (H. R. 5174) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1954, and for other purposes.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. DOUGLAS. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Illinois will be stated.

The LEGISLATIVE CLERK. On page 11, line 13, it is proposed to strike out "\$2,229,450,000" and insert in lieu thereof "2,196,000,000."

REDUCTION OF \$33,450,000 IN POSTAL OPERATION EXPENSES

Mr. DOUGLAS. Mr. President, this is the one amendment which I shall submit today. If agreed to, it would result in economies of \$33,450,000 below the figures reported by the committee.

I am disappointed in the bill which has been reported by the committee. It is the same bill which had been previously passed by the House. It has not been altered by the Senate committee.

Attention has been called by the chairman of the subcommittee [Mr. McCARTHY] to the fact that the bill calls for smaller appropriations than those requested in the budget of the outgoing administration.

He did not call attention to the fact that, so far as the Post Office Department is concerned, it calls for an increase over last year of \$38,350,000. That, I submit, is the significant item. The significant item is the comparison of the appropriations and expenditures which we are going to make for the fiscal year 1953-1954, as compared with appropriations and expenditures in the current fiscal year.

So the great economy drive seems to have collapsed.

Many promises were made about the Post Office Department. For instance, the Republican platform adopted last summer declares:

We pledge a more efficient and frequent mail delivery service.

Since the mail delivery service of the country is on the basis of one delivery a day, and since one must deal with whole digits in connection with this subject, a more frequent mail service would be interpreted as two deliveries a day.

This pledge seems to have gone into the limbo of forgotten dreams.

The Postmaster General, in the hearings, when asked about the introduction of a two-delivery system, said:

Well, that is not an immediate matter. First we must reduce the deficit.

I assure you, Mr. President, that if the deficit is to be considered first, we can postpone apparently to the indefinite future, the reestablishment of a two-

delivery system because the postal deficit is well over a half billion dollars. It is another case of finding hard realities when in office, which are quite different from the glowing hopes one has when one is out of office and is trying to get a change.

POSTAL DEFICIT

Mr. President, the deficit for the coming year is estimated at \$596 million. It is true that it is a smaller deficit than the one which we experienced in fiscal 1952 when it was \$727 million. Since that time, of course, we have had a change in the rules for fourth-class matter, and we have had some increases in the parcel-post rates and third-class mail rates, and the abolition of the penny post card.

When we consider the fiscal year 1953, the deficit is estimated at \$626 million. Even if these estimates are not precisely correct, the deficit for fiscal 1954, for which we are now appropriating, will be approximately the same as for fiscal 1953. At best, it is a reduction of only a few million dollars in the amount of the deficit.

As has been said, the deficit is primarily caused by the air-mail subsidies, which amount to \$79 million, in round figures, and by the carrying of second-class mail at a loss, which in 1952 amounted to \$242 million. The deficit on third-class mail amounted to \$92 million. The deficit on fourth-class, or parcel-post, mail amounted to \$154 million. That is where the money goes, Mr. President.

I submit, in view of all of these facts, we should make economies in the Post Office Department for the coming year.

LARGE SAVINGS POSSIBLE

Aside from the need for Congress to make much greater savings than we have been making, there are two main reasons that I am offering this amendment:

First. Postal operations should take reductions as well as other agencies. The Post Office is notorious for its inefficiencies, and we should force improvements. Yet the bill before us, instead, grants a \$55.4 million increase.

Second. The higher amount is recommended on the basis of an anticipated increase of 3.87 percent in the volume of mail. This is a blank-check appropriation, since we have no proof that volume will rise to that extent. Size and weight limitations, coupled with impending rate increases on parcel post, should even lower the amount of fourth-class mail handled. The Post Office ought to show evidence of an increase in volume before we write them a check for it. If, in fact, there is an increase in volume, money can later be provided in a supplemental bill. Even then, the large spending hike could be denied, since the Post Office should be able to absorb this small increase in volume.

The effect of my amendment is much more lenient than what we ought to impose. It would actually permit a 1 percent increase in the postal operations appropriation above the amounts provided for the current year. Although we should make a much heavier reduction than this; I am offering the amendment as submitted in order to be as reason-

able as possible and enhance its chance of passage. Even though the amendment leans over backward, however, it would still effect significant savings: \$33.5 million.

We cannot afford to permit the Post Office to escape our economy efforts. We all know that the barnacles of inefficiency cover that hulking agency and that it is an especially fertile field for economy. Congressional reports, hearings, and the report of the Hoover Commission task force are replete with examples of outmoded practices, poor accounting, a sluggish will to improve, and other evidences of waste. The time has come for us to stop going along with them. Now that we have new agency heads, let us tell them right at the start that we will have no more of it before the same old bureaucratic lethargy sets in.

THE ANTICIPATED INCREASE IN VOLUME OF MAIL

An increase of \$55.4 million has been recommended for postal operations. It is quickly asserted that this represents a saving since the increase is 2.6 percent, while the anticipated higher volume of mail to be handled is 3.87 percent. Yet even if we were assured that such a higher volume would occur, the saving would be only 1¼ percent—certainly not enough at a time when we are cutting other overhead and actual programs by 20 and even 30 percent.

An increase in appropriations could not be justified on the basis of an anticipated higher volume, even if economy were not a consideration. The best procedure in such instances is for the Post Office, after showing that the volume actually has increased, to come to Congress with the evidence and ask for a supplemental bill.

There are even factors which, when taken into account, may well show that the estimated increase is padded. Size and weight limitations on parcel post should continue to decrease volume in fourth-class mail. Impending rate increases in the same area would decrease volume even further as more parcels are diverted to railway express. As for the other classes of mail, future volume is largely guesswork.

But we should be trying to economize. If there is an increase in volume it should largely be absorbed. Can anyone imagine all businesses increasing expenditures by 67 percent of their percentage increase in volume? Of course not. I am sure most businessmen would be extremely willing to increase volume 3.87 percent with no increase at all in expenditures.

POST OFFICE PRODUCTIVITY INCREASE SHOULD BE EXPECTED

The average increase in productivity per worker in the United States is about 3 percent a year. It should not be too much to expect of that agency, with so much room for improvements, at least to equal the nationwide average. If volume actually does grow by as much as 3.87 percent, then my amendment would provide for an absorption of 2.87 percent, or an increase in efficiency per postal worker which is approximately equal to the national average.

Thus, my amendment would cause no hardship to the Post Office. But it would save the taxpayers \$33.5 million.

In practice, what happened was approximately this. The Post Office Department estimated that the increase in the physical volume of postal business would be approximately 3.87 percent. On the postal operations figure it allowed for an increase of 2.61 percent. It evidently thought that it could get an increase of about 1¼ percent in added efficiency per man.

I may say that the increase of approximately \$55 million, which is the real increase for postal operations over last year, provides for the addition of approximately 7,500 new jobs.

It seems to me that this does not put any pressure upon the Post Office Department to conduct its affairs with greater efficiency. What is being done is to allow the Post Office Department to increase its personnel by only slightly less than the increase in business, thereby not providing for much of an increase in efficiency per man.

WASTE AND INEFFICIENCY IN THE POST OFFICE

Mr. President, we know that very real economies and efficiencies per man can be effected. For instance, if we take the rural routes of the country, most of which were originally laid out in the horse-and-buggy days, and which have not been fully adapted to the automobile era, we find that the average length of run in the rural areas of the country is a little over 45 miles per day. I believe the exact figure is 45.87 miles per day. The average number of hours worked per day by rural carriers is approximately 6 hours. In a 6-day week, that means 36 hours of work per week.

There is no doubt that a great many rural routes could be consolidated. While I know that there are legal difficulties in the way of dropping men who are already on the rolls, nevertheless by a system of transfers and by failing to fill all vacancies created and by movements out of service and by death, very real economies could be made in the rural-route system, beyond question.

That is particularly possible because of the introduction of automobiles and the greater speed in delivering rural mail.

If we turn to the city mail system and consider the carrier situation, there is no reason why carriers could not use bicycles and tricycles to a much greater degree, so as to take the load off their backs and put it on wheels.

That would at once speed up the delivery of the mails, and, in addition, would mean longer lives for the letter carriers.

If we turn to the work of the clerks in the post offices, we find that in at least the big metropolitan post offices and at the points where the mail is broken and changed from one railroad to another, automatic sorting machines could greatly increase the effectiveness of clerks. It was an employee of the Chicago Post Office, John Sestak by name, who developed an automatic postal sorting machine, which enables a group of 12 to 15 clerks to do the work which formerly required many multiples

of that number. The percentage of errors has also been greatly reduced. Several times on the floor of the Senate I have called attention to the fact that I did not believe the previous head of the Post Office Department had adequately recognized the work of Mr. Sestak, and had not extended the system of automatic sorting machines in the big offices as he should. There is still vast room there for improvement.

On the rural routes, on the city and town routes, and in the postal offices themselves great savings could be made if there were a will to save. But the will will not be there unless pressure is applied by Congress. Every time a move in that direction is made the objection is heard that it is inappropriate or that it cannot be done; and the lethargy and actual resistance of large organizations are marshaled against any proposal to increase efficiency.

AMENDMENT PERMITS SOME INCREASE

The amendment I am offering roughly provides for an increase of 1 percent in the amounts for postal operations over the amounts appropriated last year. It increases these amounts by \$21.7 million, instead of increasing them by some \$55.4 million, as provided by the bill as reported by the committee. It therefore is a figure which is roughly \$33½ million less than the committee figure. It is based on the assumption that there is no reason why the Post Office Department should not show the same increase in productivity per man that the country as a whole witnesses in other lines. If we consider the situation over a long period of time, we find that the physical productivity per worker increases approximately 3 percent a year. If my amendment is passed and if the total volume of mail increases by about 4 percent, the number of workers will be increased by approximately 1 percent, and the physical productivity per worker will be increased by approximately 3 percent.

It is this historic fact that lies behind the General Motors formula which was adopted some years ago, and has since been in effect.

Mr. President, there is no reason why we should not expect, in the case of the Post Office, the same approximate increase in productivity that has occurred in other branches of our national economy.

The Post Office Department has already brought up to date its stock of automotive equipment. The committee report correctly points out that at this time in the postal service there is no automobile or truck that is older than a 1947 model, I believe, and that it is intended to retire or to "turn in" trucks and automobiles which have more than 50,000 miles behind them. So the rolling stock of the Post Office Department has now been brought up to date, and will be continued up to date; and the situation which the Hoover Commission criticized some 5 years ago has now been remedied.

There is no reason why the mechanization of the postal service, the consolidation of rural routes, the putting of more letter carriers on bicycles and tricycles, and the reduction of the weight

load the letter carriers have to carry, cannot proceed.

So my proposal is, generally speaking, that we handle the estimated increase in the physical volume of mail, which is expected to amount to about 4 percent during the coming year, by providing for a 1-percent increase in operating costs, thus effecting a reduction of approximately 3 percent in unit costs.

I may say that would permit the hiring of slightly less than 4,000 new employees, as well as the automatic pay increases which will cost \$8.8 million. Thus there could be some increase in personnel, but the increase of course would not be as great as that contemplated by the committee.

ECONOMY SHOULD BE REVIVED

Mr. President, I believe this to be a very important subject. I wish to say that today I am grievously disappointed in the appropriation bills which have been reported and acted upon. They have not effected any real savings. The bookkeeping juggling that has been resorted to has really demonstrated a failure to appropriate for the expenditures which will occur, and there has been no evidence of any real drive whatsoever for economy.

I hope very much we shall begin to effect real savings. My proposal will, if adopted, result in a saving of approximately \$33 million.

Mr. President, I have now finished what I intended to say on this subject. I promised the Senator from Wisconsin [Mr. McCARTHY], just before he left the floor, that I would not finish my remarks until he returned.

Mr. MORSE. Mr. President, will the Senator from Illinois yield to me?

Mr. DOUGLAS. I am glad to yield.

Mr. MORSE. Suppose we do a little trading of time. If the Senator from Illinois has concluded his remarks, I should like to make a few remarks, which I am sure will be concluded in time to accommodate the Senator from Wisconsin.

Mr. DOUGLAS. I shall be very glad to yield, but first I would say that the comment made by the Senator from Oregon reminds me of a man who, during a pause in a funeral service, said, "Now I would like to make a few remarks about Los Angeles real estate."

Mr. MORSE. I shall not deal with the deceased; I can assure the Senator from Illinois of that.

Mr. DOUGLAS. Mr. President, I yield to the Senator from Oregon.

THE ASSOCIATED PRESS

Mr. MORSE. Mr. President, I have received some interesting mail since the time when, on several occasions on the floor of the Senate, I paid my disrespects to the Associated Press.

At this time I should like to read into the RECORD excerpts from a letter I received under the date of May 28:

MY DEAR SENATOR MORSE: I have read the enclosed clipping with the special interest of a man who served the Associated Press for 10 years.

Mr. President, let me say that the clipping was one in which I expressed my

lack of confidence in the veracity and journalistic ethics of the Associated Press.

I read further from the letter:

When I worked for the Associated Press, reports had to be not only strictly objective, but the slightest coloring had to be avoided. That is no longer so. And the Associated Press sends out daily a column "interpreting" the news, which is, in effect, when read between the lines, subjective and frequently misleading. * * * The American public is being daily misinformed by that press as to the present situation and as to what it means.

Mr. President, I have received numerous letters from readers of Associated Press stories who have followed the very simple test I suggested a few days ago when I made my criticism about the editorializing done by the Associated Press and the slanting of Associated Press news stories and the taking of statements out of context and the use of snide, reputation-assassinating words and stories. I have suggested that if an Associated Press news story is compared with what I actually said in the Senate, more often than not the readers will find the existence of the low journalism of which I complained when I paid my disrespects to the Associated Press.

Mr. President, I now hold in my hand an editorial by the publisher and editor of the York (Pa.) Gazette, Mr. C. M. Gitt. I shall ask that the entire editorial be printed in the RECORD, but first I should like to read several sentences from the editorial.

In commenting on the statement I made on the floor of the Senate about the press, the editor wrote:

It is not often that people on the outside of the newspaper profession clearly realize the situation. Senator MORSE's charges that the Associated Press is owned by publishers who are "reactionary businessmen" are not idle charges to those who really understand the inside situation of the newsgathering game. The Associated Press is supposed to be a cooperative venture, with every newspaper holding a membership entitled to its say in the operation of the organization, but like everything else, the Associated Press is dominated by a few large publishers who more or less set its policies, not always directly, but often by the indirect means of having the press service's employees learn by experience what is wanted or desired. Many of the other members of the organization follow the lead of the few who more or less control it, and as a consequence the minority which is left has to go along with the practice that the majority rules.

All of which means that those persons whom the big boys in the association are interested in get the publicity and the coverage; and those persons, such as Senator MORSE, whom only a few of the members of the Associated Press are interested in, get practically none or very slim coverage. * * *

The reason is that the important persons in the Associated Press and the lambs who follow their lead are not happy about an independent who dares to continue to stand for his own principles without regard for political affiliation; and since the majority rules in the Associated Press, little consideration is given to the Senator from Oregon.

Mr. President, at this time I ask that the entire editorial be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FOOD FOR THOUGHT

Senator WAYNE MORSE, from Oregon, declared in a Senate speech the other day that the Associated Press is owned by and large by publishers who are "reactionary businessmen" who do not like an outspoken "representative of the independent party."

The Oregon Senator, who bolted the Republican Party during last year's Presidential election campaign, is now an independent and as a result has been getting about as cool treatment from the United States press as he has been getting from the members of both major political parties in the United States Senate. In the latter case the Senator was kept off the two important committees that he had been serving on as a Republican. The vote to keep the same man, now an independent, off of these committees reflected opposition from the members of both major political parties.

It is not often that people on the outside of the newspaper profession clearly realize the situation. Senator MORSE's charges that the Associated Press is owned by publishers who are "reactionary businessmen" are not idle charges to those who really understand the inside situation of the newsgathering game. The Associated Press is supposed to be a cooperative venture, with every newspaper holding a membership entitled to its say in the operation of the organization, but like everything else, the Associated Press is dominated by a few large publishers who more or less set its policies, not always directly, but often by the indirect means of having the press service's employees learn by experience what is wanted or desired. Many of the other members of the organization follow the lead of the few who more or less control it, and as a consequence the minority which is left has to go along with the practice that the majority rules.

All of which means that those persons whom the big boys in the association are interested in get the publicity and the coverage and those persons, such as Senator MORSE, whom only a few of the members of the Associated Press are interested in, get practically none or very slim coverage. The reason is that the important persons in the Associated Press and the lambs who follow their lead are not happy about an independent who dares to continue to stand for his own principles without regard for political affiliation, and since the majority rules in the Associated Press, little consideration is given to the Senator from Oregon.

Because in our national life the power of the press and radio and television is tremendous, and because as a consequence persons can be made or ruined by them, we feel that the people have a right to know what the situation is and on what basis our news services work. The point is that the news is not actually handled on the basis of its individual worth or objectivity, but rather it is handled on a basis of who is interested in it and who makes it. We, therefore, feel that Senator MORSE was dead right the other day when he said that the Associated Press is a slanted news reporting service. It is slanted in its news reporting because as we have tried to explain it, it reports the news in proportion to what it is believed the majority of the members want or desire, and if that means that no matter what Senator MORSE says it is unimportant to the majority of the members, then it is unimportant regardless of the fact that standing on its own it may be a lot more important than a whole lot of other things given more play and a lot more words.

It is very interesting, for instance, all the words that can be written and all of the things that can be reported about the

coronation in England, and how few words can be used to report important speeches and actions by an outstanding Member of the United States Senate just because his politics don't suit the powers that be. Incidentally Senator MORSE is not the only person who is unhappy about the present situation as far as news coverage over the country is concerned. Although being an Independent he no doubt gets worse treatment by our nearly one-party press than the Democrats, the latter are so concerned about the situation that they are planning to publish a monthly magazine of their own, designed to give the public more information about the Democratic Party side of things.

C. M. GITT.

Mr. MORSE. Mr. President, coverage is not what concerns me. My concern is only that what is printed have at least some relationship to the truth and the facts. That is why I have said to the people of my State, and why I repeat today, that if they want to find out the facts about the position taken by their junior Senator on any issue in the Senate, they should not assume that they get it when they read a news story with the initials AP at the head, because more often than not they will find there a very distorted and propagandized story. The people of my State should know that in recent weeks I have had a very interesting exchange of correspondence with the Associated Press. If they read the correspondence, they will know that it was not being written between bosom friends.

Unfortunately, too many of the officials of the Associated Press are not aware of what past officials of the Associated Press have told the junior Senator from Oregon in regard to that alleged news gathering service.

Mr. President, I now turn to another matter.

The PRESIDING OFFICER. The Senator from Oregon has the floor.

RESOLUTION OF FRATERNAL ORDER OF EAGLES, PRINEVILLE, OREG.

Mr. MORSE. Mr. President, I ask unanimous consent to have inserted in the RECORD a resolution from the Fraternal Order of Eagles, of Prineville, Oreg.

The PRESIDING OFFICER. Is there objection?

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

FRATERNAL ORDER OF EAGLES, Aerie 2555, Prineville, Oreg., May 6, 1953.

DEAR SENATOR: We, the officers and members of Aerie 2555, FOE, Prineville, Oreg., submit to you a resolution passed at our regular meeting May 5, and do request that you give it your attention and support on our behalf:

"Whereas our postage stamps do not bear the inscription 'In God we trust,' while our coinage does; and

"Whereas our postage stamps reach into millions of foreign homes and offices in which our coinage is never seen; and

"Whereas postage stamps on which the inscription 'In God we trust' will be printed can be an effective means of describing the fundamentally spiritual nature of this country to all nations of the world; and

"Whereas in our current struggle against the irreligious philosophy of communism it

is important that we pray to God for help; and

"Whereas many foreign nations do not consider Americans basically religious; and

"Whereas such postage stamps would serve to remind our own people of their debt to God; and

"Whereas Hon. MIKE MANSFIELD, United States Senator from Montana, who is a member of the Fraternal Order of Eagles, has introduced a bill into the Senate instructing the Post Office Department to place the inscription 'In God we trust' on all of our postage stamps."

TIMBER ACCESS ROADS

Mr. MORSE. Mr. President, I wish to introduce a joint resolution in behalf of the small lumber mill and logging operators in my State. While it would accrue to the legitimate rights and interests of the large operators as well, it would certainly prevent a combination of large lumber operators to take advantage of the small operators. It is a measure in very much the same form as the one I introduced on August 10, 1949, which passed the Senate, but which became bogged down in the House; because, on the House side, by the time the measure reached that body, there was interesting opposition from the big boys in the lumber game.

I am reintroducing for the record my access-roads joint resolution. It is quite different in principle from the measure the large operators want. They want one that provides for the sale of revenue bonds and the setting up of a revolving fund, in the name of strengthening private enterprise in the field of lumbering. But the measure they desire is full of sleeper clauses. I say that, because, to build the roads which in effect would be private roads into public lands, it would be necessary to have a big stake in Government timber; and, of course, that is what the big boys want. It is the same old monopolistic trend that we see running through the entire program of the present administration. We see it rearing its head now in connection with proposals for access roads.

In my judgment, the only way to protect the small operator in the lumber game is for the people of the country who own the public timber to recognize that it is a governmental responsibility to build access roads into the public lands. They are to be paid for out of the stumpage; but, being built by the Government under the kind of measure passed in the Senate in 1949—which I am reintroducing today—the small operator is guaranteed a fair chance in bidding on the timber. He allows in his bid only for his pro rata share of the stumpage cost and of the cost of constructing the access roads into Government timber.

I am always very frank when I introduce proposed legislation, Mr. President. As of today, I am disheartened and sad about the prospects of the principle of protecting the little fellow prevailing; and yet it is important that we, once again, make it a matter of record. It is important that we place on the record the choice between the revolving-fund type of bill and a measure such as the one I introduced in 1949, which I rein-

troduce today, and which would see to it that the access roads are paid for out of the stumpage sold by the Federal Government to the lumber operators; but the measure does not make it necessary for the operator to include a huge tract of land in his bid, in order to pay for a road which amounts to a private road into public property.

A revolving-fund scheme is the scheme of the big operator. It is another attempt to get for the big boys what amounts to a quasi-monopolistic control over public timber.

I introduce an access-roads measure whereby the funds, in the first instance, would be appropriated out of the Federal Treasury for the building of access roads into public lands, but would be paid into the treasury from the stumpage which would be obtained as the result of the sale of Government timber along the access roads, once they are built. The joint resolution would give everyone a fair break in bidding on Government timber. I may say it involves an issue about which, in the Pacific Northwest, in 1954, I think we shall hear a great deal.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred.

The joint resolution (S. J. Res. 86) to provide for a suitable and adequate system of timber access roads to and in the forests of the United States, introduced by Mr. MORSE, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

LETTER FROM A SOLDIER IN KOREA

Mr. MORSE. Mr. President, I wish now to take a minute or two to read excerpts from a letter of May 29, from one of our boys in Korea, a letter which moved me very deeply. I think the excerpts which I shall read into the RECORD, when read by my colleagues in the Senate, will move my colleagues as well. This American boy, fighting for us in Korea in support of freedom, wrote to me, as follows:

DEAR SIR: Perhaps you will listen. I have followed your struggle for honest statesmanship for some time.

I have been sitting here in Korea with my platoon, on an outpost within a few hundred yards of Chinese North Korean gunfire—we have been here for 5 days.

Just now I've received mail, which includes an out-of-date copy of the Stars and Stripes. (It arrives on time in Japan, but here, where the news is of so much importance and contact with the "outside" so limited, it always arrives late—they tell us shipping facilities are limited.)

The first thing to catch my eye is a message that some in Washington are urging the United States to avoid the United Nations, and form their own policy regarding the Korean action and the truce. The only reason the American and foreign officers and men, with whom I have spoken—I repeat, the only reason they would be here is because of the courageous plans the United Nations has offered in its unselfish appraisal of world affairs. The United Nations represents for us the only solid hope and the only sustaining force in the world today. We are sick of the vicious jostling of petty nations.

All along the road, moving toward the front lines from Pusan, there are signs placed by the Rhee Government stating:

"Give us unification or give us death." We are not here to increase Syngman Rhee's holdings. We are here to accomplish the one initial objective of the U. N.: stop aggression wherever it occurs in the world.

As a volunteer member of the Armed Forces, I find myself becoming increasingly horrified at the attitude assumed by our representatives in the American Government.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORSE. I shall yield presently. In order not to break into the reading of the soldier's letter, I should like to finish my quotation from his letter; after which I shall be glad to yield. The letter continues:

I cannot fail to recall that the headlines proclaiming the resumption of truce talks were quickly followed by the cries of business and their representatives with groans of remorse because of the possible loss of profits.

With deliberate and calm negotiation, I believe (and so do people around the world) that we have an opportunity to bring to a close this dreadful affair. True, we will be on guard in the middle of Korea but we would be on guard at the Yalu River border, with nothing more to show for it than an additional loss of life.

We now have an opportunity to build in Asia, on this tiny peninsula, the sort of democratic government that we keep promising Asia. We have an opportunity to show the Oriental that "white man arrogance" belongs to a past age; that the 300 years of occidental cheating and profiteering has come to an end; that the United Nations intends to build homes, not jails.

But how can we, on the front line, do the job when the rear is diseased with selfish ambition?

Please hear our voice—if no one pays any attention, what can we do?

Mr. President, Senators do not have to share all the implications of this soldier's point of view in order to agree with me that this letter is a moving expression of feeling on the part of the soldier. I am not in a position to say what the opinion of our Armed Forces is, but over the months I have received enough mail from boys fighting in the front lines in Korea to satisfy me that they are perfectly willing to stand and fight and die, if necessary, to prevent aggression. But there is not much enthusiasm, Mr. President, for any proposal that suggests we should go it alone in Asia and force upon Asiatic countries our terms for a settlement of the struggle in Asia. That is why I said last Sunday on a television broadcast, and say again today, that in these critical days through which the White House and those responsible for the negotiations in Korea are passing, we should recognize that the truce will not be satisfactory in all respects, to all of us.

As I have said, we may not agree with this soldier from whose letter I have read, in all the particulars and implications of his letter, but I am inclined to think it is true that our boys in Korea are aware of the fact that they were sent there primarily to stop Communist aggression. We may not be satisfied with all the details of a truce which may be worked out to the end of stopping Com-

munist aggression, but in my opinion the White House and those in charge of truce negotiations are entitled to the united support of all groups in America. All political groups, all economic groups, all groups of citizens, should support the White House and those in charge of truce negotiations so that there may be finally arranged an honorable truce that will end the ghastly cost of life and casualties of wounded men in Korea, in accordance with the objective in support of which the United States went into Korea.

We did not go into Korea to bring to an end communism in China. We did not go into Korea with the objective of entering into a war with Russia in Asia. We went into Korea for the purpose of demonstrating to Russia that she could not get by with her subterfuge aggressive policy, acting through satellites of challenging freedom in Asia. If such reports as we have read thus far are reasonably reliable, it would seem that those responsible for our negotiations of a truce have kept faith with that objective.

My information comes from the same sources available to other Members of the Senate, and it maybe that the settlement of the prisoner problem is not completely in accordance with what we would like it to be. However, although there will not be an unconditional surrender, and I think it is wise that there will not be, it seems to me the objective we had in mind in connection with the prisoner issue is being achieved. Men will not be forced against their wills to go back to a Communist environment. Time will be allowed for due consideration on their part, and they will be protected from what we feared, namely, that various forms of duress and coercion would be practiced upon them. Neutral mediators, shall be say, or guardians, will be in charge during the period while a prisoner is allowed to make his decision.

So I say to my friend in Korea who wrote me this letter that he is mistaken if he draws the generalization that all, or even a substantial part, of those representing him in the Government have yielded to the kind of philosophy about which he complains in his letter. They have not. Although we in the Congress are of different political faiths, I think my friend should be told, as I now tell him, that there is remarkable unity among us. Of course, there is some dissent, but there is remarkable unity among us that we will keep faith with the objective for which we went into Korea, and the one which he sets forth in his letter, namely, to demonstrate to the Communists that we would not tolerate an aggressive course of action against freedom in Asia.

I believe most Americans, irrespective of political points of view, are of one mind with regard to the desirability of an honorable truce in Korea, followed by a period of international negotiations for the disposition of political and territorial rights of conflicting groups in Korea.

Mr. President, there is one other matter I desire to discuss.

The PRESIDING OFFICER. The Senator from Oregon may proceed.

FUTURE PROGRAM OF INDEPENDENT PARTY

Mr. MORSE. Mr. President, there is one further item upon which I wish to comment today in this relatively brief committee report of the Independent Party. I had planned to discuss at some length the question of mandatory sentences involved in the District of Columbia crime bill, but I shall make that speech tomorrow.

I had also planned in this week's report to give another in the series of speeches on natural resources, which I am dedicating to the late Senator Norris. However, I shall deliver that speech in Portland, Oreg., on Friday night, instead of in the Senate on Friday. Next week I shall insert it in the CONGRESSIONAL RECORD.

There seems to be some misunderstanding among certain of my political enemies in Oregon that my relegation to two minor committees in the Senate would accomplish several purposes, one of which would be to end my weekly committee reports on behalf of the Independent Party. I thought I had made it very clear that that would not happen, but that I still felt that once a week some Senator ought to speak on the floor of the Senate to the independent voters of the country. I reannounce that intention tonight.

I intend, for the remainder of this session, and for all the next session, and so long as I remain in the Senate, to report to the independent voters of the country my views on political issues which I do not think receive either adequate treatment in the press or proper consideration in the Senate.

I shall do that until the full rights of the people of Oregon have been restored to them, including their right to equal representation in the Senate through their junior Senator. I thought I made that very clear when I announced that I would certainly serve on the Public Works Committee and the District of Columbia Committee, because the Senate had the power so to assign me, and I felt that I had the moral obligation so to serve, once assigned.

But if anyone got the idea that that settled the issue, he misunderstood the Senator from Oregon, because the Senator from Oregon will continue to discuss, as a member of the Committee of the Whole, issues which are so foreign to the Public Works Committee and the Committee on the District of Columbia that a discussion of them within either of those committees, or raising such problems within either committee, would be out of order, because such issues would not fall within the jurisdiction of either committee.

However, most of the subjects which I shall discuss in my weekly reports, as a member of the Committee of the Whole will bear upon the work of the Committee on Armed Services and the Committee on Labor and Public Welfare, on which the more than 1½ million people of the State of Oregon are entitled to representation, which was denied to them by a Republican majority acting in concert and cooperation with the man-

agement of the Democratic side of the aisle.

UNANIMOUS CONSENT TO LIMIT DEBATE ON TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL

Mr. KNOWLAND. Mr. President, I should like to ask unanimous consent that when the Senate meets tomorrow there be 15 minutes allowed to each side on the pending amendment offered by the Senator from Illinois [Mr. DOUGLAS], to be controlled by the Senator from Illinois [Mr. DOUGLAS] and the Senator from Wisconsin [Mr. MCCARTHY], respectively.

It is the intention of the acting majority leader in a moment to ask that the Senate consider in executive session the new reports on the Executive Calendar, and then to resume legislative session for such remarks as Senators may desire to make this evening, but there will be no voting on the Treasury and Post Office Departments appropriation bill this evening. Consideration of it will be resumed with the pending Douglas amendment as the order of business tomorrow, following the morning hour, with 15 minutes debate on the Douglas amendment allotted to each side.

The ACTING PRESIDENT pro tempore. Without objection, the unanimous-consent request is agreed to.

EXECUTIVE SESSION

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

PROTOCOL PROLONGING INTERNATIONAL SUGAR AGREEMENT—REMOVAL OF INJUNCTION OF SECRECY

The ACTING PRESIDENT pro tempore. The Chair lays before the Senate Executive L, 83d Congress, first session, a protocol dated in London August 31, 1952, prolonging the International Agreement regarding the regulation and marketing of sugar, signed at London on May 6, 1937. Without objection, the injunction of secrecy will be removed from the protocol, and the protocol, together with the President's message, will be referred to the Committee on Foreign Relations, and the message from the President will be printed in the RECORD. The Chair hears no objection.

The message from the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a certified copy of a protocol dated in London August 31, 1952, prolonging the international agreement regarding the regulation and marketing of sugar signed at London on May 6, 1937.

I also transmit, for the information of the Senate, the report made to me by the Secretary of State with respect to this matter.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, June 10, 1953.

(Enclosures: (1) Report of the Secretary of State; (2) certified copy of protocol of August 31, 1952.)

UNIVERSAL COPYRIGHT CONVENTION—REMOVAL OF INJUNCTION OF SECRECY

The ACTING PRESIDENT pro tempore. The Chair lays before the Senate Executive M, 83d Congress, 1st session, the Universal Copyright Convention, together with certified copies of 3 related protocols, signed at Geneva under date of September 6, 1952, by the respective plenipotentiaries of the United States of America and other States concerned. Without objection, the injunction of secrecy will be removed from the convention and protocols, and the convention and protocols, together with the President's message, will be referred to the Committee on Foreign Relations, and the message from the President will be printed in the RECORD. The Chair hears no objection.

The message from the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a certified copy of the Universal Copyright Convention, together with certified copies of three related protocols, signed at Geneva under date of September 6, 1952, by the respective plenipotentiaries of the United States of America and other States concerned.

I transmit also, for the information of the Senate, the report of the Secretary of State with respect to the Convention.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, June 10, 1953.

(Enclosures: (1) Report of the Secretary of State; (2) certified copy of the Universal Copyright Convention, with certified copies of three related protocols, signed at Geneva under date of September 6, 1952.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. WILEY, from the Committee on Foreign Relations:

Mason Sears, of Massachusetts, to be the representative of the United States of America on the Trusteeship Council of the United Nations; and

John C. Hughes, of New York, to be the United States permanent representative on the North Atlantic Council, with the rank and status of Ambassador Extraordinary and Plenipotentiary.

By Mr. TOBEY, from the Committee on Interstate and Foreign Commerce:

Henry C. Perkins for promotion to the permanent rank of rear admiral in the Coast Guard; and

Leonard S. Hubbard, and sundry other persons, for permanent appointment in the Coast and Geodetic Survey.

By Mr. MILLIKIN, from the Committee on Finance:

Frank D. Yturria, of Texas, to be collector of customs for customs collection district No. 23, with headquarters at Laredo, Tex.

The ACTING PRESIDENT pro tempore. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar, under new reports.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

The legislative clerk read the nomination of Nelson Aldrich Rockefeller to be Under Secretary of Health, Education, and Welfare.

Mr. LEHMAN. Mr. President, I wish to express my great satisfaction at the opportunity which I have to vote to confirm the nomination of Nelson Aldrich Rockefeller to be Under Secretary of Health, Education and Welfare.

I have known Mr. Rockefeller, as I knew his father, for a great many years. I consider him to be one of the most distinguished sons of the State of New York. Nelson Rockefeller has served the Government in many capacities over the past 10 years, and in every one of the assignments given to him he has distinguished himself and has shown unusual ability. I consider him to be a man of the highest character, of great ability, and of selfless devotion to the public wellbeing. I know that as Under Secretary of Health, Education and Welfare he will serve the Government and the people of our country with great distinction and with great devotion.

I again want to say, Mr. President, how much pleasure and satisfaction I have in voting for the confirmation of Mr. Rockefeller's nomination.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

COLLECTORS OF CUSTOMS

The legislative clerk read the nomination of James P. Winne, of Hawaii, to be customs collector for district No. 32, with headquarters at Honolulu, T. H.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of John J. Devaney, of New York, to be collector of customs for district No. 8, with headquarters at Rochester, N. Y.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of John A. Stanek, of Illinois, to be collector of customs for district No. 39, with headquarters at Chicago, Ill.

Calendar No. 37

83^D CONGRESS
1ST SESSION

H. R. 5174

IN THE SENATE OF THE UNITED STATES

JUNE 10 (legislative day, JUNE 8), 1953

Ordered to be printed

AMENDMENT

Proposed by Mr. DOUGLAS to the bill (H. R. 5174) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1954, and for other purposes, viz:

- 1 On page 11, line 13, strike out "\$2,229,450,000" and
- 2 insert in lieu thereof "\$2,196,000,000".

6-10-53——C

H. R. 5174

AMENDMENT

Proposed by Mr. DOWGLAS to the bill (H. R. 5174) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1954, and for other purposes.

JUNE 10 (legislative day, JUNE 8), 1953
Ordered to be printed

executing purchase contracts (H. Rept. 552) (p. 6655).

6. FLAG. Passed as reported S. 604, prohibiting display of other flags in equal or superior prominence to the U. S. flag except under specified circumstances (pp. 6644-46).
7. WAR POWERS. The Judiciary Committee ordered reported (but did not actually report) H.R. 2557, to extend title 2 of the First War Powers Act (contract authority of the President) through June 30, 1954 (p. D545).
8. DISASTER AREA. Agreed to H. Res. 276, providing for Federal aid to Massachusetts by classifying certain tornado devastated areas as disaster areas (pp. 6641-44).
9. FOREIGN TRADE. The purposes of H.R. 5495, extending the President's authority to enter into reciprocal trade agreements, as stated in the committee's report are:
 - "1. Extend until June 12, 1954, the authority of the President under section 350 of the Tariff Act of 1930, as amended, to enter into trade agreements as requested by the President;
 - "2. Reduce from 1 year to 9 months the period within which the Tariff Commission must make its investigation and report on applications for relief under the escape clause;
 - "3. Increase the membership of the Tariff Commission from 6 to 7; and
 - "4. Establish a temporary bipartisan commission to be known as the 'Commission on Foreign Economic Policy' which will provide the mechanism for a thorough examination of our foreign economic policy as recommended by the President."
10. ADJOURNED until Mon., June 15 (p. 6655). Legislative Program as stated by the Majority Leader: Mon., Consent Calendar, H.R. 5495, reciprocal trade agreements extension bill, and H.R. 5451, wheat marketing quota bill; Tues., Private Calendar and H.R. 5690, second independent offices appropriation bill which is expected to be passed on Wed., after which the legislative appropriation bill and H.R. 3203, the trip leasing bill, will be considered (p. 6638).

SENATE

11. APPROPRIATIONS. Passed without amendment H.R. 5174, the Treasury-Post Office appropriation bill for 1954 (pp. 6592-6600). This bill will now be sent to the President.
12. FLAMMABLE FABRICS. The Interstate and Foreign Commerce Committee reported without amendment H.R. 5069, prohibiting interstate commerce of wearing apparel and fabrics which are so highly flammable as to be dangerous when worn by individuals (S. Rept. 400) (p. 6589).
13. RESEARCH. The Labor and Public Welfare Committee reported with amendment S. 977, which would amend the National Science Foundation Act so as to provide for an "open-end" authorization (S. Rept. 396) (p. 6589).
14. FOREIGN AID. Sen. Thye spoke favoring transfer of surplus wheat to Pakistan, and urged consideration of S. 847, providing shipment of surplus feed and food grains to Holland (p. 6590).
15. INTEREST RATES. Sens. Kerr, Capehart, Bush, and others, discussed the effects of increased interest rates on our economy (pp. 6600-22), and Sen. Bush

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued June 12, 1953
For actions of June 11, 1953
83rd-1st, No. 107

CONTENTS

Adjournment.....	10,20	Farm program.....	23	Personnel.....	31
Air pollution.....	18	Flag.....	6	Potatoes.....	27
Agriculture census.....	29	Flammable fabrics.....	12	Research.....	13
Agriculture investiga- tions.....	1	Foreign aid.....	4, 11, 28	Rubber.....	26
Appropriations.....	2, 11, 22	Grain.....	14	T.V.A.....	22
Buildings.....	5	Immigration.....	24	Trade, foreign.....	9
Credit union.....	16	Intergovernmental rela- tions.....	17	War powers.....	7
Disaster area.....	8	Interest rates.....	15	Weather.....	21
Economic controls.....	3	Lands, public.....	19	Wheat.....	11
Electrification.....	25	Legislative program.....	10, 20	Wool.....	30

HIGHLIGHTS: Senate completed final congressional action on Treasury-Post Office appropriation bill. Sen. Thye urged consideration of his bill providing surplus feed and food grains to Holland. Senate committee reported flammable fabrics bill. House reported 2nd independent offices appropriation bill. House sent economic controls bill to conference. House committee ordered reported mutual security extension bill. House agreed to resolution providing \$50,000 for agriculture investigations. Sen. Schoeppel introduced and discussed bill authorizing CCC to transfer surplus commodities to MSA.

HOUSE

1. AGRICULTURE INVESTIGATIONS. Agreed, without amendment, to H. Res. 213, to provide \$50,000 for studies and investigations by the Agriculture Committee (p. 6637). The House Administration Committee had previously reported this resolution (H. Rept. 545) (p. 6655).
2. APPROPRIATIONS. The Appropriations Committee reported without amendment H.R. 5690, second independent offices appropriation bill for 1954 (H. Rept. 550) (p. 6655). Rep. Yates received permission to file minority views on this bill (p. 6638).
3. ECONOMIC CONTROLS. Reps. Wolcott, Gamble, Talle, Kilburn, Spence, Brown (Ga.), and Patman were appointed as conferees for S. 1081, authorizing temporary economic controls (pp. 6637-38). Senate conferees were appointed on June 10.
4. FOREIGN AID. The Foreign Affairs Committee ordered reported (but did not actually report) the proposed mutual security extension bill. The "Daily Digest" states that, in addition to structural amendments, the committee cut \$476,000,000 from the proposed \$5,474,732,500, reporting the bill out at \$4,998,732,500. The cuts were: \$100 million from sec. 101 (a) (1)--Europe, \$100 million from Sec. 201--Near East and Africa; \$100 million for defense support in Europe, \$150 million for special weapons, \$25 million for basic materials, and \$1 million for ocean freight (p. D545).
5. PUBLIC BUILDINGS. The Public Works Committee reported with amendment H.R. 5406, authorizing GSA to acquire Federal title to real property and to provide for the construction of certain public buildings for housing Federal agencies by

indicated, there is no cut and dried plan for the solution of the basic problem. To come up with the answers to this vexing and dangerous situation, much hard work and soul searching must be done, not only by the members of the Commission on Intergovernmental Relations and by the Congress, but by informed and thinking citizens throughout the entire country.

A review of the recent history of the problem of intergovernmental relations points up very clearly the length of time that this question has been before the Federal Government and the States. In 1943, the Secretary of the Treasury received a report of a Special Committee on Intergovernmental Fiscal Relations. In 1947, following World War II, the Treasury Department brought this report up to date in a study entitled "Federal-State Coordination."

Representatives of both Houses of Congress and the Governors of the States met together in Chicago in September 1947 to develop a coordinated Federal-State fiscal program. After careful deliberation, the members of the conference adopted recommendations urging the Federal Government to:

1. Reduce Federal excise taxes on local telephone calls, intrastate electric energy, gasoline, and admission taxes as soon as practicable.
2. Amend inheritance and estate taxes for more equitable division of this revenue.
3. Correct community property tax inequities.

And finally, the conference urged the States to avoid encroachment upon tax sources particularly well adapted to Federal use.

This joint conference of representatives of the United States Congress and the Governors' Conference met again in October 1948. At this meeting it was agreed that the State and local governments must cease relying upon the Federal Government to do those things which they themselves can do equally as well or better than the Federal Government. And in order for the States and localities to assume these responsibilities, the Federal Government should reduce those taxes which can best be administered by State and local governments.

The most recent official examination of this problem was made in a report entitled Federal-State Relations of the Commission of the Executive Branch of the Government and published in March 1949 as Senate Document No. 81. This report recommended more uniformity and cooperation between States and Federal Government in connection with income taxes; relinquishment by the National Government of the gasoline tax; material reduction of the national tax rates in the fields of liquor and tobacco; elimination of the national tax on admissions and amusement taxes; and some reduction in selective national excises.

Early in 1949, the Secretary of the Treasury worked with State and municipal organizations on tax problems of mutual concern. This group, including the Department of the Treasury, Council of Economic Advisers, Bureau of the Budget, Council of State Governments, American Municipal Association, United States Conference of Mayors, National Association of County Officials, Federation of Tax Administrators, Bureau of Internal Revenue, and the National Association of Tax Administrators, discussed four phases of the problem:

1. The need for agreement among Federal, State and municipal authorities as a basis for making payments to the cities in lieu of taxes on certain classes of federally-owned property;
2. The relationship of State and local finances to the program of national economic stabilization;
3. Possible means of making more effective the enforcement efforts of the Federal, State and local governments in the field of tax audits; and

4. The proposal that the Federal Government relinquish some excise taxes to localities hard pressed for new revenue sources.

The problems inherent in the efforts to reduce overlapping taxes and to strengthen local government were placed in a broader framework in 1949 with the introduction in Congress of legislation to establish a national commission on intergovernmental relations. In testimony before the Joint Committee on Expenditures in Executive Departments (now Committee on Government Operations), it was emphasized that political and economic developments over the past 20 years called for a reexamination of our Federal system and its operation. Similar legislation has been introduced in each session of the Congress since then. Today we feel the need is more urgent and more acute than ever. All of these bills introduced in the Congress have received the enthusiastic support of such groups as the American Municipal Association, Federation of Tax Administrators, the National Association of County Officials, the Governors' Conference, Council of State Governments, and many others.

Every year since 1946 the Governors' conference at its annual meeting has adopted a resolution urging the Congress to create such a commission.

This in brief reviews the recent history of significant efforts to make more efficient and effective our pattern of intergovernmental relations.

The allocation of adequate sources of revenue among the various levels of government is an essential condition for the maintenance of a strong Federal system of government. The experience of history indicates that when a unit of government loses power to raise a substantial portion of its own revenue to finance its activities—its power and influence decline and another area of government takes over; its power to act effectively on its own initiative grows dim.

All of these agencies and groups mentioned earlier have agreed generally upon two broad principles:

To every extent possible and feasible, the area of government which renders the service should levy the tax and collect the revenue to provide for it; and

Tax resources which can be administered adequately and efficiently by local governments or by State governments, to every extent possible and feasible, should be left to them, in order that each area of government shall be able to provide more effectively for its own needs.

Because of circumstances—local, State, and national—and because of international circumstances beyond our control, in practice we have departed from these principles to a very considerable extent, with the result that localities have looked to the States increasingly to provide funds for services largely local in character—and the States increasingly have looked to the National Government.

These developments have made it necessary for the States to use many areas of taxation that could be available to the localities, and the National Government to use and use extensively many more areas of taxation that could be administered effectively not only by the States but by localities in their efforts to meet increasing public demand growing out of our rapidly developing industrial society.

This chain reaction has accelerated rapidly: more demands upon local governments—more pressure upon the State governments to collect additional revenue and distribute it to the localities—and hence even more pressure upon the National Government for more and more grants-in-aid for an increasing number of public activities—demands which have been encouraged, in many instances, by legislation enacted by higher levels of Government.

The grant and growing services in the fields of education, highways, mental health, public assistance, and public health are placing great strains upon available revenue in all localities and in all States; and I can assure you these stresses and strains are being felt also in the Congress.

If this trend continues unabated, we believe it will have a measurable effect in the foreseeable future upon the structure and operation of our Government as we have known it.

Such home rule as our localities have obtained through legislative act and judicial decision would be offset by more and more dependence upon the States; and the States, because of increasing financial dependence upon the National Government, inevitably would tend to become administrative units in a national system, rather than constitutional entities within a Federal structure.

I would like to take a few moments to trace for you the trends we have seen in recent years toward an ever-growing concentration of control over more and more areas of activity in the National Government.

In the 1920's, as we all know, Federal participation in the grant field was relatively moderate and was confined to just a few functional activities. At that time, about 75 percent of all Federal-grant moneys was disbursed for the construction of highways. That was considered of national interest because of the need for the establishment of an interstate network of roads spanning the Nation. The Federal Government at that time was engaged in providing some assistance to the States for other activities, such as vocational education. But the total scope of the Federal-grant activity in the 1920's could be measured by its costs and could then be counted in millions of dollars—not in billions.

Today, some 25 or 30 years later, we find the Federal-grant picture radically different in size, scope, in activity, and in significance. In the last fiscal year of the Truman administration, disbursements from the Federal Treasury for grants-in-aid to the States totaled more than \$2.3 billion. Contrast that with the relatively small amount of participation through the grant device back in the 1920's. We now find the Federal Government engaged in more than 40 separate and distinct types of grant programs. Instead of some 75 percent of Federal grant moneys going to the construction of roads as in the 1920's, we now find some 80 percent of all Federal-grant money centered in the broad areas of education, health, highways, and welfare.

I do not wish to be misinterpreted. It is not my feeling that all of these functional responsibilities can, under present-day circumstances, be turned back in their entirety to the States and communities. I feel quite strongly that this is not and cannot be considered as a problem susceptible to clear-cut black-and-white answers. It is my belief that a complete separation of duties and functions between the National Government and the States is not possible and in some instances may not even be desirable in the light of present-day realities.

This, however, does not in any sense lessen the seriousness of the problem which confronts us. The development and growth of the power and influence and control of the Federal Government over these areas of activity have had their effect upon the delicate balance that must be maintained among the several levels of our Government structure if our basic concept of government is not to be abandoned.

I think we must never lose sight of the axiom that with grants goes control. In its simplest expression, the problem posed by the growth of these Federal grants over the years means just this, and I can think of no better way of saying it than the words of the Hoover Commission task force:

"Through grants-in-aid, the National Government influences, and to some extent controls, 75 percent of the total activities of State governments. With grants goes control. With control goes power. With power goes centralization—and in too much centralization lies danger to our entire Federal system of government."

The task set for the Committee on Federal-State Relations of the Hoover Commission was to review and consider the present status of Federal-State relations.

As the question which I have just given to you from the committee report points out, the grant authority gives with it a potential purse-string control over State programs by the Federal agency administering the grants. The degree to which this control is legitimately exercised depends upon the statutory responsibility vested in the Federal agency. This statutory responsibility inevitably gives some degree of discretion to the administering agency. The Federal law has some provisions which the agency may interpret to give color to its exercise of various detailed controls. Thus, to a very large degree, the scope of the Federal grant activities depends on the underlying philosophy of the Federal agency as to the Federal and State responsibilities in administering the State programs.

In the last decade the position of the United States has changed very materially. We are today the principal leader of the free world. This position and leadership have placed heavy, yes very heavy, responsibilities on our shoulders. The rest of the free world looks to us as the international leader. This responsibility has brought a great change in our Federal budget requirements. This is illustrated by the fact that the Federal budget for fiscal year 1953 called for total expenditures of \$85 billion. Of this amount \$72 billion, or approximately 85 percent, was dedicated solely to meet the needs of our national and international security programs, interest on the national debt and commitments for veterans' services and benefits. The sums required to finance expenditures of this magnitude involve sacrificial drains on every man, woman and child in this country. They limit and limit severely the revenue sources available to pay for the vital services which must be performed by State and local governments.

Who can say for how many years into the future the lion's share of our Federal expenditures will not have to be dedicated to these purposes?

It appears to me that the job we have to do as a nation is to appraise in objective terms the many activities with which our Government now concerns itself. I think much needs to be said with respect to the consistent and increasing demands of our people upon their Government for services which in earlier years were always deemed to be the sole responsibility of the individual or family.

We must ask several basic questions. The first one goes to the heart of the problem. It is simply this: Which of the many functions now exercised by our Government, National, State, or local, should we consider to be proper to government at any level?

Assuming that we retain all the activities represented by the 40 grant programs, we still must classify them in terms of the level of government that ought to have primary responsibility for their performance.

Speaking in the very broadest of terms, I think that we can all agree that the administrative powers intended to be exercised by the national government are the powers that cannot be used successfully by the States individually, or that might be used by one State to the detriment of citizens of other States, or powers with regard to which uniformity is considered of prime importance.

This would mean to me that the powers essential for the preservation of the United

States as a Nation are assigned to the central government, while the States retained the powers necessary for home rule in all other matters. This broad concept of separation of powers was expressed by Thomas Jefferson in this way, "To the United Nations belongs our external and mutual relations; to each state severally, the care of our persons, our property, our reputation and religious freedom."

President Eisenhower, during the campaign last fall, mentioned upon several occasions the necessity for the establishment of a commission to re-evaluate the proper functions of government for various levels of government. Shortly after his inauguration, the President called into conference four Governors, representing the Governors' Conference, members of his executive department and legislative leaders. Out of that conference has come the Commission on Intergovernmental Relations which is about to be established by Congress.

I would like to read to you one paragraph from the report of the Senate Committee on Government Operations which was submitted with S. 1514, in order to emphasize the great importance of the work that this Commission has been assigned:

"Under the bill, the proposed Commission on Intergovernmental Relations would be authorized to (1) make a broad study of the proper role of the Federal Government in relation to the States and their political subdivisions in the entire field of intergovernmental relations with a view to defining these relations, allocating functions to their proper jurisdiction, and adjusting intergovernmental fiscal relations so that each level of Government discharges the functions which belong within its jurisdiction; (2) study and investigate all of the present activities in which Federal aid is extended to State and local governments, the interrelationships of the financing of this aid, the sources of financing of governmental programs; and (3) determine and report whether there is justification for Federal aid in the various fields in which such aid is extended; whether there are other fields in which such aid should be extended; whether Federal control with respect to these activities should be limited, and, if so, to what extent; whether Federal aid should be limited to cases of need; and all other matters incident to such Federal aid, including the ability of the Federal Government and the States to finance activities of this nature."

From this, it is evident that the Commission's work will be divided into three major fields: First, it will be necessary for the Commission to determine the proper philosophy of our Government; secondly, they must decide which functions should be performed by which level of government under that philosophy; and lastly, they must recommend a fiscal and tax structure which will permit each level of government to perform the functions allocated to it under the Commission's recommendations.

THE TORNADO AT WORCESTER AND THE PRESIDENT'S EMERGENCY FUND

Mr. KENNEDY. Mr. President, yesterday I visited the area in Worcester County which had been devastated by the recent tornado. The damage was even worse than had been reported in the newspapers. Several thousand homes were destroyed, about 100 persons have been killed, and nearly 1,000 wounded, some of them very seriously. The damage is estimated to be between forty and sixty million dollars.

Mrs. Catherine Howard, Assistant Civil Defense Administrator, who was on the scene of the disaster, told me that the

destruction in Worcester was worse than the destruction out at the atomic bomb explosion at Yucca Flats, Nev.

The Governor of Massachusetts has requested \$10 million from the President's emergency fund, which has now reached the low point of \$19 million and is subjected to drains from Michigan, which has been hit by tornadoes; Montana, by tornadoes; Idaho, by floods; Louisiana, by floods; Texas, by floods and tornadoes; Massachusetts, by a tornado, and perhaps Ohio, by tornado.

Therefore, I am hopeful that Congress will consider the necessity of raising the amount in the President's emergency fund.

There are also other governmental agencies which are perhaps in a position to be of assistance to the people of Worcester County, namely, RFC, which has declared central Massachusetts to be a disaster area, for the purpose of granting long-range loans and in building commercial property; the Federal Housing Administration; and the Housing and Home Finance Agency, which can make mortgage loans up to 100 percent of the appraised valuation; and also the Farmers' Home Administration, in the Department of Agriculture, which is in a position to make loans to farmers whose crops have been destroyed or whose farm buildings have been destroyed.

In addition, in that area among the homes which have been destroyed are two housing projects, one a State project and the other a Federal project. Both these projects were flattened completely. I am hopeful that the President's emergency fund can be used to make emergency repairs.

As I have said, the damage is tremendous, and many of the people of this area have lost all they possess.

I am hopeful that the resources of the Federal Government in the President's emergency fund and in other funds will be used for the benefit of the people of this area.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATIONS, 1954

The Senate resumed the consideration of the bill (H. R. 5174) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1954, and for other purposes.

Mr. KNOWLAND. Mr. President, is morning business concluded?

The VICE PRESIDENT. Apparently morning business is concluded.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from California will state it.

Mr. KNOWLAND. The unfinished business is the Treasury-Post Office appropriation bill, with particular reference to the amendment submitted by the Senator from Illinois [Mr. DOUGLAS]; is that correct?

The VICE PRESIDENT. Yes.

Mr. KNOWLAND. Mr. President, a further parliamentary inquiry.

The VICE PRESIDENT. The Senator from California will state it.

Mr. KNOWLAND. Are we not now operating under a unanimous-consent agreement which provides 15 minutes debate to each side, with the time to be controlled, respectively, by the Senator from Illinois [Mr. DOUGLAS] and the Senator from Wisconsin [Mr. McCARTHY]?

The VICE PRESIDENT. Yes, on the question of agreeing to the amendment of the Senator from Illinois [Mr. DOUGLAS].

Mr. DOUGLAS. Mr. President, I yield 5 minutes to the senior Senator from Delaware [Mr. WILLIAMS].

The VICE PRESIDENT. The Senator from Delaware is recognized for 5 minutes.

Mr. WILLIAMS. Mr. President, I rise to support the amendment offered by the Senator from Illinois [Mr. DOUGLAS], to reduce by \$33,450,000 the appropriation for postal operations.

Mr. President, if we do not accept this amendment or a similar amendment to make some such reduction in the appropriations, we will never balance this budget. The bill as reported by the committee calls for a reduction of a little less than one-sixth of 1 percent from the appropriations made for these purposes last year.

I also wish to point out that the Post Office Department has requested \$38,450,000 more than it had under the administration last year and even this reduction will allow them more than they had during the past 12 months.

I do not think we can possibly justify giving any of the departments any more money than they had last year. Certainly they must learn to operate with a little less if we are to cut down the cost of the Government and if we are to have any chance at all to reduce taxes.

I believe this particular amendment is a step in the right direction; and I certainly support it, and urge the Senate to adopt it.

Likewise, I hope the Senate will promptly proceed to pass the necessary legislation to stop the excessive airmail subsidies and also give attention to the need of a change in postal rates. But we must first eliminate some of the waste in these departments.

The only way to force that is to cut the appropriations.

The VICE PRESIDENT. Does the Senator from Illinois desire to use additional time at this point?

Mr. DOUGLAS. I prefer to have the Senator from Wisconsin use some time now.

Mr. McCARTHY. Mr. President, I yield 5 minutes to the Senator from Kansas [Mr. CARLSON].

The VICE PRESIDENT. The Senator from Kansas is recognized for 5 minutes.

Mr. CARLSON. Mr. President, I wish to call the attention of the Senate to what would happen if we were to approve the amendment of the Senator from Illinois.

For the Post Office Department the bill now before the Senate carries appropriations of \$150 million less than the appropriations called for by the budget which was submitted by Mr. Donaldson, the

previous Postmaster General, to the Bureau of the Budget.

In the past 10 years we have never reduced by more than \$35 million the budget submitted by the Post Office Department to the Bureau of the Budget.

The pending bill calls for a reduction of \$150 million, as compared to the appropriations recommended last year by the Truman budget. The distinguished Senator from Illinois wishes to reduce the appropriation for postal operations by an additional \$33,450,000.

I say in all fairness that if we wish to cripple the new administration of the Post Office Department, let us adopt the amendment of the Senator from Illinois.

There are some interesting facts regarding the proposals which have been submitted. For instance, after the Postmaster General took over his office and after the Director of the Bureau of the Budget, Mr. Dodge, had recommended a reduction of \$78 million in the appropriations for the Post Office Department, Mr. Dodge again called on the Postmaster General and urged him to make some further reductions. The Postmaster General did so, reducing the requested appropriations by approximately \$70 million more.

It is true that some problems exist in the Post Office Department. It has a deficit of approximately \$500 million or \$600 million; I believe it is \$596 million, to be exact. However, that problem cannot be solved or cared for by reducing this appropriation item by \$33,450,000.

Certainly we should not cripple the Post Office Department in this fashion, especially when there is a new Postmaster General and a new team in the Department. Let us give them our support. Then we can call on them to account for the funds they have used, and can require that they give proper service to the people of the country.

The VICE PRESIDENT. Does the Senator from Wisconsin desire to yield additional time at this point?

Mr. DOUGLAS. I should like to speak at this time, Mr. President.

The VICE PRESIDENT. The Senator from Illinois may proceed.

Mr. DOUGLAS. Mr. President, the Senator from Kansas has called attention to the fact that the appropriations approved by the House of Representatives and by the Senate Committee on Appropriations are \$150 million below the budget submitted by the Post Office Department. That is true. However, it should be pointed out that the so-called Truman budget had already cut the original proposals of the Post Office by \$78 million, so that actual reductions below the Truman budget amount to only \$72 million. Moreover, the Senator from Kansas omitted to point out the fact that the appropriations for postal operations called for in the bill as passed by the House of Representatives and as approved by the Senate Committee on Appropriations are approximately \$55 million more than the appropriations made for this purpose last year.

The situation is that the administration, the House, and the majority of the Senate committee have allowed an in-

crease of approximately 2.6 percent in the funds devoted to postal operations, as compared to the funds provided for this purpose last year. In the testimony of the Postmaster General it was clear that this will provide for 7,500 new, juicy jobs.

Mr. President, it is estimated that the increase in postal business during the coming year will be a little less than 4 percent. I do not know how accurate the estimate is. However, assuming it to be accurate, I point out that the action of the Senate Appropriations Committee and the action of the other House in approving a 2.6 percent increase in appropriations calls for an increase in efficiency of approximately only 1¼ percent per employee.

In opening the debate yesterday, I pointed out that the average increase in productivity per man in United States industry over the years has been at the rate of 3 percent a year. I emphasized the fact that that is the increase in productivity per worker. The increase in total productivity tends to amount to 4 percent; but with the increase which has occurred in the number of workers, the 4 percent figure is reduced to an average of approximately 3 percent. That is fundamentally what I am proposing at this time; namely, that we permit an increase of 1 percent in the total amounts provided for operations, or, in short, that we increase the appropriation from \$2,174,000,000 provided for the current year to \$2,194,000,000 for the year 1953-54, but that we require a 3 percent increase in efficiency per worker, so as to correspond with the general increase in efficiency in the country as a whole.

In the debate on yesterday I pointed out the specific ways in which these economies could be effected, namely, by a speedup in the consolidation of rural routes, which in general, considering that we are in an automobile age, are now too short. The average is only 45.8 miles, and of course a great many of the routes are very much shorter than 45 miles. If it were possible to make 45 miles the minimum, it would be possible to make a very appreciable reduction in the appropriation. I know there are legal difficulties in the way of consolidating rural delivery routes but it can be done at great profit.

Similarly, I point out that there is no reason why city and town letter carriers should move on foot with the heavy burden of the mails upon their backs, breaking down their health and, incidentally, slowing up their gait, when by the use of scooters, bicycles, and tricycles, an enormous weight could be taken off the backs of the letter carriers, more distance could be covered, and fewer employees would be needed.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. DOUGLAS. I shall be glad to yield on the committee's time.

Mr. CARLSON. I think I can get the time, if the Senator will pardon me.

Mr. DOUGLAS. I similarly point out that in the case of the large city post offices, where the mail has to be broken up for the substations, and also in the

case of the cities which are distributing centers for mail going to other regions and localities, the adoption of the automatic sorting machine, which has demonstrated its worth in the Chicago office, but the use of which has not been extended to many other offices, would also effect great savings. In short, there is no reason why the Post Office Department should not submit itself to the necessities to which American industry is forced to submit by the competitive processes.

I do not wish to make any snide remarks, but I suspect that the 7,500 new jobs which this appropriation will make available make a great appeal to certain men. My proposal of a \$21 million increase over the amount provided for the current year would permit the automatic salary increases for postmasters and other postal employees to go into effect, and would also provide for 3,500 to 3,750 new positions, instead of the 7,500 new positions provided for in the committee's bill.

I submit that the reduction I propose is necessary, and it is particularly necessary in view of the tremendous postal deficit under which the Post Office Department is operating, and which the majority apparently does not wish to face. The deficit in the next fiscal year is estimated at \$596 million, which is but a little less than the probable deficit for the current year, which is estimated at \$626 million.

The primary reason for this deficit, of course, is found in the subsidies which are paid, between \$75 million and \$80 million of this goes to the airlines; \$240 million based on 1952 figures, to the publishers of second-class matter—chiefly, I may say, weeklies and monthly magazines, and \$200 million to direct-mail advertisers.

Over and above these subsidies is the gross inefficiency of the Post Office Department which contributes substantially to the size of the postal deficit. Unless we face the subsidy and inefficiency questions, we will continue to have enormous deficits piling up. I believe it time that we serve notice on the Post Office Department that it cannot expect the taxpayers to support its inefficiencies to an unlimited amount. It is about time we applied sound business principles to Government; and this is the first step in that direction. It is a step in the direction of sound economy.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield to the Senator from Louisiana.

Mr. LONG. Ordinarily I would be opposed to a delegation of power, where it is unnecessary. But, since we have delegated so much power to the Executive to reorganize the departments, it would seem to the junior Senator from Louisiana that perhaps we ought to delegate power to the President or to the Postmaster General to put into effect whatever rates would be necessary in order to enable the various classifications of mail to carry their own load or at least come near to carrying their own load.

Having served on the Committee on Post Office and Civil Service and having

struggled with this question occasionally, in my opinion, such an approach as that seems to be about the only hope which the junior Senator from Louisiana can visualize, under which we might be able eventually to get the Post Office out of the enormous debit column to the extent of many hundreds of millions of dollars—perhaps a half billion dollars a year.

Mr. DOUGLAS. I think the suggestion of the junior Senator from Louisiana is a good one. I understand that is what is the situation now in the case of fourth-class mail. I certainly think it should be done in connection with second- and third-class mail if we do it in the case of parcel post. It is disgraceful to be providing subsidies to groups which need the subsidies least, subsidies which come out of the taxpayers of the country. My amendment is a proposal to provide sound efficiency and economy in the Post Office Department.

Mr. THYE. Mr. President, will the Senator from Wisconsin yield to me for 2 minutes?

Mr. McCARTHY. I shall be glad to yield.

Mr. THYE. Mr. President, I rise to oppose the Douglas amendment. As I review the committee report, I find that the Truman budget has been reduced by the bill we are now considering. The revised budget recommendation shows a reduction of \$10 million. The House further reduced it by \$1,250,000, making a total of \$11,250,000, less than the original Truman budget. The Senate committee agreed to the reduction made by the House.

Mr. President, within the Post Office Department there are salary increases, based on years of service, which are mandatory under the civil service regulations. That requirement must be met, and a reduction of \$33,450,000 would jeopardize the entire function of the Post Office Department.

I agree that a reduction in the overall cost of the Post Office Department is needed; but it must come about in an orderly manner. First, consideration will have to do be given to increasing the rates on all classifications of mail, whether magazines, newspapers, or first-class mail as well as airmail. That is one step that needs to be taken. But I call the attention of Members of the Senate to the fact that the Post Office Department, under new management, has not had sufficient time even to become acquainted with the volume of detailed administrative functions within the Department; and, until such time as the Post Office Department has had an opportunity to reorganize itself in detail, it cannot sustain such a reduction as the one proposed by the Douglas amendment. For that reason, I oppose the Douglas amendment.

The VICE PRESIDENT. The time of the Senator from Minnesota has expired. Are there further requests for time?

Mr. McCARTHY. Mr. President, how much time do I have remaining?

The VICE PRESIDENT. The Senator from Wisconsin has 11 minutes.

Mr. McCARTHY. I yield first to the Senator from Kansas [Mr. CARLSON], and

then I shall yield to the Senator from New Hampshire [Mr. BRIDGES].

Mr. CARLSON. Mr. President, will the Senator yield to me for 3 minutes?

Mr. McCARTHY. I yield 3 minutes to the Senator from Kansas.

The VICE PRESIDENT. The Senator from Kansas is recognized for 3 minutes.

Mr. CARLSON. Mr. President, the distinguished Senator from Illinois has made much of the fact that there is an increase in postal employment. The facts are that the number of employees in the Post Office Department in the fiscal year 1951 was 475,097; and the average paid employment estimated for the fiscal year 1954 is 516,003, representing an increase of 8.6 in paid employment. The total volume of mail handled in the same period increased by 14.5 percent. Three and four-tenths percent of the increase in personnel has been caused by the additional leave granted postal employees by Congress, under Public Law 233, 82d Congress. If the 3.4-percent figure is subtracted from the total increase of 8.6 percent, there is a net increase of only 5.2 percent in paid employment to handle 14.5 percent more mail by volume. I think it unfair to ask the Post Office Department to assume that big a load with a decreased appropriation.

I call the attention of the Senator from Illinois to the fact that the increase in productivity of 9.3 percent per employee over the 3-year period should answer effectively his contention that postal employees should increase productivity to meet the national average of 3 percent.

Mr. JOHNSTON of South Carolina and Mr. WILLIAMS addressed the Chair.

The VICE PRESIDENT. Does the Senator from Kansas yield, and if so, to whom?

Mr. CARLSON. I shall be glad to yield first to the Senator from South Carolina. Time permitting, I shall then be glad to yield to the Senator from Delaware.

Mr. JOHNSTON of South Carolina. Is it not true that the Senate Appropriations Committee has reported the same figure which the House committee reported?

Mr. CARLSON. The figures are the same.

Mr. JOHNSTON of South Carolina. The bill was reported to the Senate after the committee had heard all the testimony; is that correct?

Mr. CARLSON. That is correct.

Mr. JOHNSTON of South Carolina. Is it not the opinion of the Senator that if we adopt the proposed reduction, the result will be that a supplemental appropriation bill will come before us for additional appropriations to carry on the activities of the Post Office Department?

Mr. CARLSON. I think the Senator has made a correct statement. I hope there will not be a supplemental appropriation bill in connection with this item.

Mr. WILLIAMS. Mr. President, will the Senator from Kansas yield?

Mr. CARLSON. I yield.

Mr. WILLIAMS. Is it not true that even if we adopt the Douglas amendment, we shall still have provided for

the Post Office Department \$5 million more than it had for the past 12 months?

Mr. CARLSON. I shall be glad to answer the distinguished Senator from Delaware on that point. I noticed yesterday that he made the remark that a 1.37-percent increase would take care of the Post Office Department. Seventy-two percent of the Post Office Department's appropriation is spent on salaries and wages; 24 percent is spent on transportation. As the volume of mail rises, the expenditures for these two items must rise also. It takes personnel to handle the mail. They must be paid. It takes money to transport mail.

The estimated increase in the volume of mail for fiscal 1954 over fiscal 1953 is 3.87 percent. The Post Office Department is asking an increase in appropriations of only 1.37 percent to handle that increase in volume, and, in my opinion, it should be granted.

The VICE PRESIDENT. The time of the Senator from Kansas has expired.

Mr. McCARTHY. Mr. President, I yield 2 minutes to the Senator from New Hampshire [Mr. BRIDGES].

The VICE PRESIDENT. The Senator from New Hampshire is recognized for 2 minutes.

Mr. BRIDGES. Mr. President, the subcommittee of the Committee on Appropriations, headed by the distinguished Senator from the State of Wisconsin [Mr. McCARTHY], has done a good job on this bill. Speaking for a moment to the amendment offered by the distinguished Senator from Illinois [Mr. DOUGLAS], I wish to point out that the operations of the Post Office Department serve as an index of the Nation's development. The greater the population and the greater the volume of business, the greater the service which is expected of the Post Office Department. It is a fair index. In the case of mail deliveries, the people want good service.

The Government should be thinking about bringing to an end, or, at least, lessening the deficit of the Post Office Department. I think that Department can be operated more efficiently and effectively, which I am sure the Postmaster General, Mr. Summerfield, is trying to accomplish; but I do believe at this time that this appropriation, reported by the subcommittee headed by the distinguished and able Senator from Wisconsin, is a fair measure of the primary needs of a department which is very close to the people. In my opinion, the reduction proposed by the Senator from Illinois, while I should like to support it, is not feasible now because of the essential needs of the postal service. It should await a revision of the postal laws and of the rates charged by the Post Office Department.

Mr. DOUGLAS. Mr. President, I yield to the Senator from Delaware [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. President, I dislike to disagree with the Senator from New Hampshire [Mr. BRIDGES], but I think if we are ever to have efficiency, the only thing to do is to take away from executive branches some of the money appropriated to them. I do not

see how this Congress, which has started out on an economy program, can justify giving to any executive department more money than it has had in the past 12 months. Even though the amendment be adopted, there will still be in the appropriation bill more money for the operations of the Post Office Department in the next 12 months than it had during the past 12 months. There is no possible way we can justify greater expenditures by that Department. The Post Office Department has 525,000 employees. In 1934 there were approximately 600,000 employees in the entire United States Government. I think we should cut the appropriation, and I shall support the amendment offered by the Senator from Illinois.

Mr. McCARTHY. Mr. President, how much time do I have remaining?

The VICE PRESIDENT. The Senator has 5 minutes.

Mr. McCARTHY. Mr. President, there are a number of items in the Post Office Department appropriation bill which should not be there and which it will require legislation to remove.

As I mentioned a day or two ago, we discussed subsidies to airlines, and the item of \$1,700,000 covering the cost of franked mail sent out by Members of Congress. I strongly feel that that should not be an expense of the Post Office Department, but an expense of the Congress.

In that connection, Mr. President, I should like to have the attention of the Senator from New York [Mr. LEHMAN] to what I consider rather serious abuses of the franking privilege. I realize that the rules are rather fluid, and it is difficult for the superintendent in the mailing room to decide what is entitled to the franking privilege and what is not. I have two items in my hand. Strangely enough, Mr. President, the abuses are apparently on the part of the wealthiest Members of the Senate, Members who can well afford to send out their own campaign material.

I have here an Armed Services Committee envelope bearing the name of Millard Tydings, and containing material which was sent out subsequent to March 30 of this year, an item entitled "The Financial Affairs of McCARTHY."

He is entitled to broadcast my financial affairs as much as he cares to, but not at the expense of the taxpayers. On the envelope there is a 2-cent stamp, together with a frank. I checked with the mailing room and ascertained that the cost would be 6 cents. So we find a man who has been out of the Senate for several years charging the taxpayers for each of these very illuminating articles he sends out. How many he has sent out I do not know.

I sent to the mailing room today and got a sample of all material going out under frank. I have an article in my hand entitled "Creeping McCarthyism—Its Threat to Church, School, and Press." The subhead is "McCarran Act Is the Result of Fear." This material was sent to the folding room by one of the wealthiest Members of the Senate, a man who should be able to mail his own

material. I think there were 100,000 copies. If I am incorrect, I hope the Senator from New York will correct me. Fortunately, the Superintendent, Mr. Chambers, who was on his toes, caught it and said, "No; we will not do it." However, employees had folded the material and placed it in envelopes. This material was sent by the Senator from New York [Mr. LEHMAN], who spent some time on the floor yesterday discussing the postal deficit. I would think that if Senators were more careful in the use of the franking privilege, and would call upon their own campaign headquarters, we would not have such a deficit.

I should like to ask the Senator from New York whether the figure of 100,000 is correct.

Mr. LEHMAN. Mr. President, I do not know the exact number, but I can assure the Senator from Wisconsin that the number sent out, if any were sent, was less than one-tenth of 100,000.

Mr. McCARTHY. None were sent out. That is the information we have. The information we received was that the Senator's office sent down 100,000 franked envelopes, but they refused to send out the material.

I may say that I think this is a rather gross abuse of the franking privilege, as is the action by the former Senator from Maryland, who sends out material such as the matter I hold in my hand, at a cost of 4 cents apiece to the taxpayers.

I think that if the Senator from New York [Mr. LEHMAN] would watch his office a little more closely, and if other Senators would do the same, perhaps it would not be necessary to argue quite as loudly about postal deficits.

Mr. President, I think the Senator from New York should have time in which to reply to my statement. I ask unanimous consent that if I have any time remaining, the Senator from New York may be allowed to make his response.

Mr. LEHMAN. Mr. President, I shall ask for recognition in my own right. I do not wish to infringe upon the time of the Senator from Wisconsin.

Mr. THYE. Mr. President, the Senate is operating under a unanimous-consent agreement on limitation of time. Therefore, I shall have to object if there is to be a lengthy discussion.

The VICE PRESIDENT. The Senator from Minnesota is correct that there is a limitation.

Mr. McCARTHY. Mr. President, how much time have I remaining?

The VICE PRESIDENT. The time of the Senator from Wisconsin has expired.

Mr. McCARTHY. I should have liked to allot some of my time to the Senator from New York, if I had any time remaining.

Mr. LEHMAN. I hope the Senator from Wisconsin will not leave the floor. I should like him to be present when I reply in my own time.

The VICE PRESIDENT. The Senator from Illinois has 2 minutes remaining.

Mr. DOUGLAS. I shall be glad to yield 1 minute to the Senator from New York.

Mr. LEHMAN. I thank the Senator from Illinois very much. However, fol-

lowing the vote on the amendment, I shall ask recognition in my own right. I do not desire to infringe upon the time of any Senator.

Mr. DOUGLAS. Mr. President, the remarks of the Senator from Wisconsin have no bearing upon the issue as to whether an increase of some \$55 million over the appropriation of last year shall be granted to the Post Office Department. The proposal I am advancing is that an increase of \$21 million be granted to the Post Office Department, but also that pressure be put upon the Department to increase its efficiency per man by approximately 3 percent. This seems to me to be a very modest provision. It authorizes 3,700 new positions, which can be used in rapidly growing sections and communities. This will require some cooperation on the part of the Post Office Department in reducing operating costs in the field of rural routes, in the field of town and city deliveries, and in the field of central management of post offices themselves.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Illinois.

Mr. DOUGLAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Goldwater	McClellan
Anderson	Gore	Millikin
Barrett	Green	Monroney
Beall	Hayden	Morse
Bennett	Hendrickson	Neely
Bricker	Hennings	Pastore
Bridges	Hickenlooper	Payne
Bush	Hill	Potter
Butler, Md.	Hoey	Purtell
Butler, Nebr.	Jackson	Russell
Byrd	Jenner	Schoeppel
Carlson	Johnson, Colo.	Smathers
Clements	Johnson, Tex.	Smith, Maine
Cordon	Johnston, S. C.	Smith, N. J.
Daniel	Kefauver	Smith, N. C.
Douglas	Kennedy	Sparkman
Duff	Kerr	Symington
Dworshak	Kilgore	Taft
Eastland	Knowland	Thye
Ellender	Kuchel	Tobey
Ferguson	Langer	Watkins
Flanders	Lehman	Welker
Frear	Malone	Wiley
Fulbright	Mansfield	Williams
George	McCarran	
Gillette	McCarthy	

The VICE PRESIDENT. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DOUGLAS].

Mr. DOUGLAS. Mr. President, on this question I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. KNOWLAND. I announce that the Senator from Indiana [Mr. CAPEHART], the Senator from South Dakota [Mr. CASE], the Senator from Pennsylvania [Mr. MARTIN], the Senator from South Dakota [Mr. MUNDT], and the Senator from Massachusetts [Mr. SALTONSTALL] are absent on official business.

If present and voting the Senator from Indiana [Mr. CAPEHART] would vote "nay," and the Senator from Pennsylvania [Mr. MARTIN] would vote "yea."

The Senator from Kentucky [Mr. COOPER] is absent because of illness.

The Senator from Illinois [Mr. DIRKSEN] and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate on official business.

The Senator from New York [Mr. IVES] is absent by leave of the Senate, having been appointed a delegate to attend the International Labor Organization Conference at Geneva, Switzerland.

Mr. CLEMENTS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Florida [Mr. HOLLAND], the Senator from Wyoming [Mr. HUNT], and the Senator from Mississippi [Mr. STENNIS] are absent by leave of the Senate.

The Senator from Tennessee [Mr. GORE], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Louisiana [Mr. LONG], and the Senator from Virginia [Mr. ROBERTSON] are absent on official business.

The Senator from Washington [Mr. MAGNUSON] is absent by leave of the Senate on official committee business.

The Senator from South Carolina [Mr. MAYBANK] is necessarily absent, attending the funeral of the late Lewis Wood, formerly associated with the New York Times.

The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate, having been appointed a delegate to attend the International Labor Organization Conference at Geneva, Switzerland.

The Senator from South Carolina [Mr. MAYBANK] is paired on this vote with the Senator from Washington [Mr. MAGNUSON]. If present and voting, the Senator from South Carolina would vote "yea," and the Senator from Washington would vote "nay."

I announce further that, if present and voting, the Senator from Louisiana [Mr. LONG] would vote "yea."

The result was announced—yeas 31, nays 44, as follows:

YEAS—31

Anderson	Hennings	Pastore
Byrd	Jackson	Russell
Clements	Jenner	Smathers
Daniel	Johnson, Tex.	Smith, Maine
Douglas	Kefauver	Smith, N. C.
Dworshak	Kennedy	Symington
Frear	Kerr	Tobey
Fulbright	Lehman	Welker
George	Mansfield	Williams
Gillette	McClellan	
Green	Neely	

NAYS—44

Aiken	Flanders	McCarthy
Barrett	Goldwater	Millikin
Beall	Hayden	Monroney
Bennett	Hendrickson	Morse
Bricker	Hickenlooper	Payne
Bridges	Hill	Potter
Bush	Hoey	Purtell
Butler, Md.	Johnson, Colo.	Schoeppel
Butler, Nebr.	Johnston, S. C.	Smith, N. J.
Carlson	Kilgore	Sparkman
Cordon	Knowland	Taft
Duff	Kuchel	Thye
Eastland	Langer	Watkins
Ellender	Malone	Wiley
Ferguson	McCarran	

NOT VOTING—21

Capehart	Holland	Maybank
Case	Humphrey	Mundt
Chavez	Hunt	Murray
Cooper	Ives	Robertson
Dirksen	Long	Saltonstall
Gore	Magnuson	Stennis
Grisswald	Martin	Young

So Mr. DOUGLAS' amendment was rejected.

The VICE PRESIDENT. The bill is open to amendment.

Mr. LEHMAN. Mr. President, a little while ago the Senator from Wisconsin [Mr. McCARTHY] made certain statements regarding me. Those statements are made in exactly the pattern that has been followed by the Senator from Wisconsin for a very long time. The intention is to intimidate, to frighten, to put on the defensive all those who are in disagreement with him. He does it by making statements unsupported by facts, in the hope that he can entangle his critics in irrelevant discussion with him and in endless denials of his charges and finally thus to silence these critics.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. LEHMAN. I want to say to him that I am not easily intimidated.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. LEHMAN. No; not until I am through with my statement.

Mr. McCARTHY. I did not think the Senator would.

Mr. LEHMAN. When I am through with my statement I shall be glad to have the Senator from Wisconsin speak as long as he wishes.

I want to say, Mr. President, that I am not easily intimidated. I have lived long enough and have served the people sufficiently long to make me very certain of my position, and with regard to the sincerity of my position. I have no apology to make for pointing out to the people of the country the great threat to their freedoms which has come through the efforts, and I am sorry to say the partially successful efforts, of certain persons in this country—including the Senator from Wisconsin—to silence those who would oppose the effort to impose complete conformity and complete orthodoxy on every thought and every action of the people of this country.

I have opposed the McCarran Immigration Act, which was one of those mentioned by the Senator from Wisconsin, because I believe its provisions are completely repugnant to the spirit of America.

I have pointed out on the floor of the Senate and in other places, the dangers to our freedoms that will come if we allow the will of a selected few to be imposed on all our citizens, and if we allow these few to intimidate the others into silence because the others do not want to take the chance of being attacked.

I shall not discuss the question of the franking privilege. I do not know how many letters or documents have been sent out under my frank. I may say to you, Mr. President, however, that, whenever a reprint of my remarks has been made, it has been paid for by me personally.

Mr. McCARTHY. Oh, Mr. President, will the Senator yield?

Mr. LEHMAN. Wherever there has been the charge made—

Mr. McCARTHY. Mr. President, will the Senator yield for a question?

Mr. LEHMAN. No; not at this moment.

The VICE PRESIDENT. The Senator from New York declines to yield.

Mr. LEHMAN. Whenever there has been a charge made for placing documents or communications in envelopes, I have paid for it, as I have paid the salaries of many of the employees of my Senate office, and have paid for many other expenses in connection with my office, in order better to serve the people not only of my State but of the Nation as a whole.

I want to say to the Senator from Wisconsin that if he thinks he can intimidate me by charges of this kind, confused, irrelevant, and untrue, charges entirely unsupported by facts—if he thinks he can intimidate me by accusing me of things that he and every other Senator has done, and has done legally, in the distribution to his constituents and to the people of the Nation of his remarks on matters which he thinks are of interest to the people of his State and of the Nation, then I can assure the Senator from Wisconsin that he has completely failed in his efforts.

I shall continue to speak on any subject in a manner which I think is right and just and in the interest of the people of the United States, and I shall continue to let my views be known by as wide a constituency as I possibly can. In my opinion, that is the duty of every Senator.

So, Mr. President, I shall now be very glad indeed to take up a matter which I believe is of real importance to the debate on the Post Office and Treasury appropriation bill, in order to seek to correct some of the other inaccurate statements which have been made by the Senator from Wisconsin.

Yesterday, as my colleague may recall, I debated at some length with the Senator from Wisconsin the importance of the customs service. I pointed out that the customs service has the duty of preventing fraud and smuggling, and that one of the most important matters connected with smuggling activities is the importation by illegal means of narcotics, the deadly drugs which are habit forming and which have seduced and destroyed many of our young people.

At that time the Senator from Wisconsin denied that the customs service has any duties in connection with that matter.

Mr. President, may I ask the Senator from Wisconsin to pay some little attention?

Mr. McCARTHY. Mr. President, unless the Senator from New York has the decency to yield for a question, after he makes a statement, I have no interest in listening to him. If he will follow the usual Senate procedure and will yield for a question, I shall be glad to pay attention.

Mr. LEHMAN. I have said to the Senator from Wisconsin that not only will I yield, but he has all afternoon and all the rest of today and all the rest of the week to answer.

Mr. McCARTHY. Mr. President, will the Senator from New York yield?

Mr. LEHMAN. I will not yield when the Senator from Wisconsin interrupts me.

The Senator from Wisconsin is chairman of the subcommittee of the Appropriations Committee that has had charge of the bill which now is before the Senate. I am debating that bill. It seems to me that the Senator from Wisconsin, who is chairman of that subcommittee, should at least take some interest in the bill and should make some effort to know what some Members of the Senate think about certain phases of the bill, and should be ready to reply. However, apparently the Senator from Wisconsin is unwilling to do that.

It seems, however, that many of my colleagues are more interested in the debate on the bill than is the distinguished chairman of the subcommittee of the Appropriations Committee which has reported the pending bill, which calls for appropriations in excess of \$3 billion, I believe—not a small sum of money, even for a man who has been described by the Senator from Wisconsin as one of the wealthy Members of the Senate.

The Senator from Wisconsin denied the accuracy of the statements I made yesterday. He said the Customs Bureau has nothing to do with the enforcement of the laws prohibiting the smuggling of narcotics.

Mr. President, at this time let me read from the hearings held by the subcommittee of the House of Representatives Appropriations Committee the testimony given by Chester A. Emerick, Deputy Commissioner, Division of Investigations:

Mr. EMERICK. The Bureau of Customs is the agency of this Government that is charged with the enforcement of laws governing the importation and exportation of all types of commodities.

The Customs Agency Service is the investigative unit of the Bureau of Customs and is charged with investigating violations of the various laws enforced by customs, which laws include the Tariff Act of 1930, as amended, the Export Control Act, the Neutrality Act, the Gold Reserve Act of 1934, the Narcotic Drug Import and Export Act, the Marihuana Tax Act, and the Atomic Energy Act.

Later in the hearing he testified as follows:

The customs service is the first line of defense against the smuggling of narcotic drugs and other contraband into the United States.

Mr. President, today I received a letter from the national president of the National Customs Service Association. I shall read the letter, which I believe is highly interesting. It completely contradicts the inaccurate statements made yesterday by the Senator from Wisconsin, in connection with the measure now before the Senate.

The letter is as follows:

NATIONAL CUSTOMS
SERVICE ASSOCIATION,
June 10, 1953.

HON. HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.

DEAR SENATOR: I was in the Senate gallery today and was very interested in statements made with reference to enforcement activities of Customs with respect to narcotics smuggling.

Because Customs has the responsibility for the prevention of smuggling, and not the Bureau of Narcotics, you may want to advise the Senate of a letter written by H. J. An-

slinger, Commissioner of Narcotics, to Representative SAMUEL W. YORTY, of California, on March 18, 1953, on this matter of jurisdiction. Mr. Anslinger said:

"Referring to proposal 2, to increase the budget and personnel of the Federal Bureau of Narcotics 'to provide for increased vigilance at all American seaports,' may I respectfully point out that primarily the prevention of smuggling is imposed by law upon the Treasury's Bureau of Customs, although the Bureau of Narcotics cooperates with the Bureau of Customs in its performance of this function. * * * Customs officers are working diligently every day to keep narcotics out of our country. This is succinctly shown by the following table of total seizures made at sea and border points during the past 2 fiscal years, as set forth in an official compilation:

Drug	1952	1951
	Ounces	Ounces
Raw opium.....	3,655	376
Smoking opium.....	866	181
Medicinal opium.....	1	1
Morphine.....	3	3
Heroin.....	200	116
Codeine.....	11	5
Cocaine.....	14	35
Demerol.....	2	2
Miscellaneous drugs.....	149	1,093
Marihuana.....	27,030	32,062
Total.....	31,931	33,874

Mr. Anslinger continued:

"Since many individual seizures embody quantities as small as 2 or 3 grains each, it will be seen that the number of individual offenses which go to make up these totals is quite large. When it is further borne in mind that of all the individuals, conveyances, and packages of merchandise examined, narcotics are found in only a very small proportion of cases, it makes us realize in some measure the enormous amount of work performed in achieving the above results. In October 1952, just under 100 pounds of opium was seized by customs from a vessel in Philadelphia, and in December about 69 ounces of morphine was seized in New York. Recently a seizure of 156 pounds of refined marihuana was effected at Laredo, Tex., and in this case customs expects to prosecute 6 defendants."

It will be noted that these seizures were made by customs officers and that Mr. Anslinger indicates that if "increased vigilance at all American seaports" is provided the funds should go for this purpose to the Bureau of Customs and not the Bureau of Narcotics.

There appears to be wide misunderstanding of the jurisdiction between the two bureaus. The Bureau of Customs is responsible for the prevention of smuggling, including the smuggling of contraband, such as narcotics. It is up to customs to try to prevent narcotics coming into the country. Insofar as transportation and use of narcotics in the country is concerned the Bureau of Narcotics has responsibility.

One point in the matter of the narcotics problem upon which there is complete agreement is that the drugs are imported into the United States from a number of European and Asiatic countries. With an adequate Customs inspection force the narcotics could be seized before they enter the country and while the drug is in its pure, unadulterated form.

The Bureau of Customs told the House Appropriations Committee that "the stopping of the smuggling of narcotic drugs and marihuana into the United States would put an end to the narcotic traffic." The Customs Service is making every effort possible with its limited personnel to combat this menace. I know you will want to have these facts in

view of your interest in the appropriation now pending for the Bureau of Customs.

Very sincerely yours,

ALFRED F. BEITER,
National President.

Mr. President, I point out that Mr. Anslinger, the Commissioner on Narcotics and head of the Bureau of Narcotics, himself testified to the importance of making these funds available to the Bureau of Customs.

Mr. President, the Bureau of Customs operates at every seaport in the United States where ships arrive. It operates at many points along the borders which separate our country from Canada and from Mexico.

I do not believe I need tell you, Mr. President, or my fellow Senators, or the American public, the great danger there is in the traffic in narcotics. The traffic in narcotics is responsible for more broken lives and for more criminals than any other one factor in our national life. During the 14 years of my incumbency in the offices of lieutenant governor and governor of my State of New York, I believe I had to pass on more than 25,000 cases involving appeals for clemency, commutation, or pardon. I learned the background of the criminals pretty thoroughly, and I can say that, of the great number of cases which came to me for consideration, and which I carefully studied, the records of a very great percentage of the criminals showed that their criminal actions were either inspired or were greatly furthered and intensified by the incessant use of drugs and narcotics. I do not think anybody is going to argue against the existence of the evils of the narcotics traffic as a great threat to our security and to our national life.

But the traffic in narcotics by people who are already in this country cannot be stopped as easily as it can be, through careful surveillance, careful examination, and exclusion of, at ports of entry, by ship or otherwise.

Most of the narcotics come from Europe or from Asiatic countries, we would rope or from Asiatic countries, and if we did anything that would make it harder to stop the supplying of narcotics in this country, we would be doing something that we just could not defend such action to our conscience or to the world. So I say I think there has been a great mistake upon the part of the Appropriations Committee in reducing the appropriation for the Bureau of Customs, which has rendered such great service to the American people along this line.

Mr. President, let me remind my fellow Senators that I have voted against many increases in appropriations, but I have voted for cuts in every item other than those affecting the national defense and activities relating to the health and welfare of our people. That will continue to be my policy. I am not going to vote to cut appropriations designed to bring about greater security for the country; as a matter of fact, I shall vote to increase them, when I think that larger appropriations will increase the national security. I am going to vote against cuts which would affect and reduce the services we can render in the

fields of health and public welfare, and, by the same token, I submit that it is an unjustified, shortsighted policy to make cuts in appropriations for services that are protecting our people, as the Bureau of Customs is undoubtedly doing in its efforts to prevent the smuggling of narcotics.

In the item under consideration, a cut has been made of \$1.5 million. That cut was made against the protests of those best qualified to know about the work that is being done to combat smuggling, notably the smuggling of narcotics. I do not believe the cut is not justified, and I simply could not remain silent on the question.

I know that were I to submit an amendment to increase the appropriation, I would not get to first base; but I want the record to be clear. I want the people to know the facts. I want the facts to be well established, in the event an effort is made, which I believe is likely, to secure a larger appropriation in a supplemental deficiency bill.

So, Mr. President, I again express my very deep regret and my protest against the cut that is made, a cut which I think will seriously jeopardize the welfare of our young people; and if it jeopardizes the welfare of our young people, it jeopardizes the welfare and security of our entire Nation.

The PRESIDING OFFICER (Mr. HENBRICKSON in the chair). The bill is open to further amendment.

Mr. McCARTHY. Mr. President, as the Senator from New York knows, it is very unusual for a Senator to take the floor, and then not have the guts to yield for questions while he is going through a tirade. I am very much disappointed in our friend from New York in that respect.

The Senator from New York took the floor a moment ago to say that the Senator from Wisconsin made charges which were wholly unsupported by the facts. I should like to ask the Senator a question. I made the statement that he had sent a vast number of pamphlets to the folding room with franked envelopes. The pamphlets or articles were entitled "Creeping McCarthyism." I made the statement that the superintendent, Mr. Chambers, fortunately caught this and said, "Mr. LEHMAN, you cannot send this out at taxpayers' expense."

I made the statement that the Senator from New York [Mr. LEHMAN] was well able to afford to send out his own smear, and that it should not be done at the expense of the taxpayers. I should like to know whether that statement is not true.

The Senator made a charge which is unsupported. Would the Senator care to tell the Senate that what I said was untrue? Would he care to tell the Senate that he did not send his franked envelopes to the folding room with a request that the article to which I have referred be franked and sent through the mails? Would the Senator care to answer that?

Mr. LEHMAN. Oh, certainly, I will answer that.

Mr. McCARTHY. Good.

Mr. LEHMAN. The Senator from Wisconsin made the statement that the Senator from New York had sent to the folding room 100,000 franked envelopes.

Mr. McCARTHY. How many did the Senator send?

Mr. LEHMAN. I do not know.

Mr. McCARTHY. The Senator does not know.

Mr. LEHMAN. But I can assure the Senator it was not more than a small fraction of the number he has stated.

Mr. McCARTHY. Can the Senator ascertain the number? Could the Senator not ascertain the facts by calling his office?

Mr. LEHMAN. Wait. The Senator asked me a question. Let me answer it.

Mr. McCARTHY. Could the Senator from New York find out about it?

Mr. LEHMAN. Certainly I could find out about it.

Mr. McCARTHY. Would the Senator do that for us?

Mr. LEHMAN. I would be very glad indeed to do so.

Mr. McCARTHY. The Senator has several aides who are present on the floor.

Mr. LEHMAN. I would be very glad indeed to submit a statement to the Senate of the United States.

Mr. McCARTHY. The Senator has several aides who are present. Let one of them call the Senator's office, and then let the Senator tell me whether it was 50,000 or 100,000. The Senator said my statement was unsupported as to the number.

Mr. LEHMAN. I may say to the Senator from Wisconsin that the Senator from New York will be very glad indeed to submit to the appropriate committee of the Senate a complete statement of the number of franked envelopes he has used in the 4 years during which he has been a Member of the Senate, if the Senator from Wisconsin will do the same. Will the Senator from Wisconsin accept my offer?

Mr. McCARTHY. I will accept any offer the Senator wants to make if he will tell how much illegal use he has made of the franking privilege.

Mr. LEHMAN. I have made no illegal use of the franking privilege.

Mr. McCARTHY. The Senator from New York rose on the floor of the Senate and stated that my statement was irresponsible and was not borne out by the facts. I now ask the Senator to perform the very simple and easy task of having one of his aides call his office and find out how many franked envelopes he did send to the folding room and how many were sent out. He can do that if he wants to.

Mr. LEHMAN. I can do a great many things.

Mr. McCARTHY. The information I have is that it was 100,000. If the figure is incorrect, then tell the Senate today. Does the Senator wish to tell the Senate?

Mr. LEHMAN. Yes, I will, if, in response to my offer to submit to the appropriate committee of the Senate a complete statement of the franked envelopes used by me in the 4 years and 2 months I have been a Senator of the

United States, the Senator from Wisconsin will do likewise.

Mr. McCARTHY. The Senator will not tell us how many franked envelopes he sent to the folding room?

Mr. LEHMAN. Oh, yes; I will, if the Senator from Wisconsin will accept my offer.

Mr. McCARTHY. Mr. President, as I understand the Senator from New York, he will not tell us how many franked envelopes he sent to the folding room to be improperly used unless I go before a committee and state the number of times I have used my frank. I will say to the Senator from New York that I think that is an unusual condition. So far as I am concerned, anyone can have complete information as to the number of times I have used the franking privilege, where I have used it, when, and how. If the Senator from New York has any evidence or any information to the effect that I have ever attempted such an illegal use of the frank, I think he should tell the Senate about it today.

I ask the Senator this question—

Mr. LEHMAN. Wait a minute.

Mr. McCARTHY. Does the Senator think it was proper—

Mr. LEHMAN. Let me answer the Senator.

Mr. McCARTHY. Certainly.

Mr. LEHMAN. The Senator has referred, in his usual pattern, to the "illegal" use of the frank—

Mr. McCARTHY. Does the Senator think it was legally used?

Mr. LEHMAN. How is it illegal to use the franking privilege to send out a speech made by a Senator of the United States on a public question, interesting and of great importance to the people of his State and of the Nation?

Mr. McCARTHY. Did the Superintendent, Mr. Chambers, tell the Senator that this was an improper use of the frank, and that he would not allow the Senator to send out the material, and that the Senator would have to pay his own postage?

Mr. LEHMAN. No.

Mr. McCARTHY. The Senator has not been informed of that?

Mr. LEHMAN. I have not been informed of it, and I do not think it is true. I may say to the Senator from Wisconsin that the postmaster has never raised one question about the use of the frank. He did not raise any more question in regard to the use of the frank on public documents in my case than he would in the case of any other Senator, because it is perfectly legal. I am told he drew the attention of some of my assistants to the fact that the Department could not pay the cost of folding these speeches into the envelopes, and I am informed by my office force that they immediately said that was perfectly proper and that the cost would be defrayed by my office.

Mr. President, I am not going to continue this argument. I have made a proposal to the Senator from Wisconsin. For what I have said or done I have no apologies, for I am going to fight McCarthyism so long as I have strength, and I am going to fight against the kind of an immigration policy that is set forth in the Immigration Act, and I shall

do so regardless of the Senator from Wisconsin.

Mr. McCARTHY. Mr. President, I did not yield for the purpose of permitting the Senator from New York to make a speech.

The VICE PRESIDENT. The Senator from Wisconsin declines to yield.

Mr. LEHMAN. Mr. President, the Senator did yield, and I want to finish my sentence.

Mr. McCARTHY. Mr. President, I decline to yield for a discussion of the immigration question.

Mr. LEHMAN. I repeat my offer to the Senator from Wisconsin to disclose the complete record of my use of the franking privilege if the Senator from Wisconsin will do the same. I cannot make any fairer proposal than that.

Mr. McCARTHY. Mr. President, I desire to proceed with the business at hand. I merely wish to invite the attention of the Senate again to the simple, uncontradicted fact that I showed to the Senate this morning 2 documents, 1 sent out under the franking privilege by the late unlamented Millard Tydings after March 30 of this year. We checked with the Post Office Department to find out what the cost would be if franks were not applied, the post office said it would cost the taxpayers 4 cents. As I stated, I do not care how many Lehmans, how many Tydings, how many Daily Workers, make attacks on McCarthy; in fact, I rather enjoy them. I know that if they were not doing it, I would not be damaging the Communist cause. When they start praising me, I shall be worried. All I am interested in is that they do it at their own expense. There is no reason why the Senator from New York [Mr. LEHMAN], one of the wealthiest men in the Senate, should impose on the taxpayers to send his smear around the country. I have called on the Senator to tell the Senate how many thousand franked envelopes he tried to impose on the taxpayers, but he has refused to tell me unless a committee is called and unless I go before that committee. I should think, Mr. President, that in common honesty and in common decency, he would call his office now and get the information and tell the Senate whether it was 50,000, 100,000, or how many he tried to send out, and how much of the cost he tried to impose on the taxpayers.

He talks about intimidation, Mr. President. The only intimidation I can see in it is the insistence that he pay his own bills, that he pay for his own smear, and not try to impose it on the taxpayers. I do not care a tinker's dam how much material he sends out about McCarthy. I do not care how many smear sheets he sends out, but I shall insist that he spend his own money to do it, and that the taxpayers shall not have to pay for it.

The Senator from New York says that it is irresponsible to bring to the attention of the Senate the fact that he is trying to get the taxpayers to foot his bill. Then I can assure him that that type of irresponsibility will continue.

Mr. LEHMAN. Mr. President—

Mr. McCARTHY. I do not yield at this time.

The VICE PRESIDENT. The Senator from Wisconsin declines to yield.

Mr. McCARTHY. The Senator from New York says he paid for the stuffing of the material into the envelopes. That statement is untrue. I repeat, it is untrue. I checked with the folding room and found that Government employees were stuffing his envelopes for him. However, Mr. Chambers caught it, or otherwise the result would have been different.

There is one other item to which I desire to refer. The Senator from New York questioned my statement with regard to the authority and power of the Bureau of Narcotics. Let me say, Mr. President, that the committee granted the Bureau of Narcotics an amount equal to the total Truman asked for. It is one of the few items on which the last administration and the present administration agreed. We did not cut the appropriation at all.

The Senator from New York urged yesterday that we allow the Immigration Bureau more money because so many wetbacks are coming into the country. I call attention to the fact that there is nothing in this bill having to do with immigration. The Senator missed his time by about 2 weeks. He should have discussed the wetback question when the bill making appropriations for the Immigration Service was under discussion.

But in order that there can be no question about what was said yesterday with respect to the power of the Bureau of Customs, I quote from page 6546 of the RECORD the following statement by the Senator from Wisconsin:

Mr. McCARTHY. The Bureau of Customs has absolutely nothing with the enforcement of the narcotics law. In the inspection of baggage at ports of entry, the Bureau of Customs cooperates with the Bureau of Narcotics. I believe that is what the Senator from New York has in mind.

So when I said the Senator was in error, he was, insofar as the enforcement of law is concerned. However, he is correct when he indicates that the Customs Bureau is of great aid in the enforcement of the narcotics law, although the Customs Bureau has no power or jurisdiction to enforce that law.

Mr. LEHMAN. Mr. President, I wish to correct a statement the chairman of the subcommittee of the Committee on Appropriations has made. He talked about appropriations for the Bureau of Narcotics. I was not referring to the appropriation for the Narcotics Bureau; I was speaking of the appropriation for the Customs Bureau, which is certainly clearly indicated, from all the testimony I can find, as being the bureau charged with the prevention of smuggling.

So far as the other matter which the Senator from Wisconsin saw fit to direct to me is concerned, I wish to say that either it is legal to use the franking privilege—not the cost of reprinting, not the cost of stuffing, but the franking privilege—in the distribution of remarks made by Senators and Representatives generally, or it is not.

It may very well be that there has been abuse of a privilege that is certainly completely legal. It is not a question of the number of franked envelopes which were sent to the folding room in connection with this speech. I pointed out some of the things that gave me concern in the present movement to instill fear into the people of the United States I have already stated that the number was less than 20,000. It was not 100,000, as the Senator from Wisconsin has said. But if the question is of importance at all, it is of wide importance. It is of importance not simply with respect to one distribution; it is of importance as to what has been done over the years.

So I repeat to the Senator from Wisconsin, if he will do me the courtesy to listen to me, which he does not do, that I shall be very glad to have an opportunity to submit to any committee of the Senate, not especially a standing committee, but any appropriate committee of the Senate, a statement of the amount of franked mail I have sent out in the last 4 years, as compared with the amount of franked mail the Senator from Wisconsin has sent out. I do not fear the comparison. I challenge the Senator from Wisconsin to accept my offer.

Mr. BUSH. Mr. President, it is my intention to speak for about 20 minutes on the subject of interest rates, the Government bond market, the Federal Reserve System, and related matters. If any Senator wishes to ask unanimous consent that I yield the floor for the purpose of disposing of the appropriation bill, I shall be glad to agree to do so.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that without the Senator from Connecticut [Mr. BUSH] losing his right to the floor, we may proceed with the consideration of the Treasury-Post Office appropriation bill, so that it may be disposed of, and the Senate can then proceed to the consideration of the District of Columbia crime bill, the unfinished business. At that time the Senator from Connecticut could speak on any subject he desired to discuss. However, in order to expedite the business of the Senate, I should like to have the Treasury-Post Office appropriation bill passed. I understand no further amendments are to be offered; at least, I have been so informed.

The VICE PRESIDENT. Is there objection to the request of the Senator from California?

Mr. KERR. Mr. President, reserving the right to object, might I inquire, if it is possible to have the information supplied, how much time the Senator from Connecticut will wish to give to the passage of the appropriation before he begins his speech?

Mr. BUSH. Mr. President, it was not my intention to limit the time. The appropriation bill is at present the pending business, and I think it is very important to have action on it concluded. I had not intended to limit the time.

Mr. KNOWLAND. Mr. President, if the Senator from Oklahoma will permit me to respond, I may say that the only amendment which I understood would be offered was offered earlier, has been

debated, and has been rejected. Unless something unforeseen occurs, I believe that the bill can be passed within 5 minutes.

Mr. KERR. Mr. President, reserving the right to object, I had hoped to obtain the floor to talk about interest rates, the Treasury, and the Federal Reserve System. If I obtain the floor certainly I shall have no objection to yielding any reasonable period of time for the disposition of the pending business prior to the speech of the Senator from Connecticut. However, I wonder if the Senator would not limit his request to 10 minutes.

Mr. BUSH. Mr. President, I suggest that the majority leader might care to limit his request to 30 minutes. At the end of that time, we can reconsider the matter, if the Senator from Oklahoma would have no objection to doing so.

Mr. KNOWLAND. I have no crystal ball before me, but I would be willing to take a calculated risk and say that it would take not to exceed 15 minutes to dispose of the Treasury-Post Office appropriation bill.

The VICE PRESIDENT. Without objection, the request of the Senator from Connecticut is granted. The bill is open to further amendment.

Mr. MORSE. Mr. President, I recognize that in the heat of debate on the floor of the Senate, Senators sometimes make statements which look quite different when they are in cold print. I know nothing about the facts of the altercation between the Senator from Wisconsin and the Senator from New York concerning reprints and the use of the franking privilege. But, in view of the nature of the debate to which I have just listened, I feel that I would not be honest with my own conscience if I did not rise at this time and express my high regard for the complete patriotism and loyalty to his country of the Senator from New York [Mr. LEHMAN].

When we consider the list of public officials living today, and recognize that the Senator from New York has served 10 years, I believe, as Governor of the Empire State, and as Governor has made one of the great records in the history of that State; when we take into account the unquestioned patriotism of the Senator from New York, expressed in the Senate by word and act during his 4 years as a Senator; I, for one, wish to spread on the RECORD of the Senate today my complete confidence in the loyalty to his country of the Senator from New York.

I desire to express by personal denial of the justification of any insinuation, innuendo, or criticism of the Senator from New York as being a "pinko," a fellow traveler, or a Communist. I think that when the RECORD of the debate today is read, if the remarks of the Senator from Wisconsin [Mr. MCCARTHY] remain unchanged in the RECORD, the sad implication will be there that the Senator from New York has had used against him on the floor of the Senate expressions which would indicate that the Senator from Wisconsin [Mr. MCCARTHY] believes the Senator from New York to be of Communist taint. I do not think

that such accusations are in keeping with the standards of proper debate in the United States Senate.

As one who believes in fair play, I now wish to do honor to the Senator from New York as a great, loyal American, whose fine reputation for devotion to his country remains untarnished. I pay tribute to him as being not only a conscientious, patriotic, anti-Communist liberal, but, in my judgment, the greatest liberal in American public life today.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed the bill (S. 694) to prohibit the display of flags of international organizations or other nations in equal or superior prominence or honor to the flag of the United States except under specified circumstances, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House insisted upon its amendment to the bill (S. 1081) to provide authority for temporary economic controls, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. WOLCOTT, Mr. GAMBLE, Mr. TALLE, Mr. KILBURN, Mr. SPENCE, Mr. BROWN of Georgia, and Mr. PATMAN had been appointed managers on the part of the House at the conference.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATIONS, 1954

The Senate resumed the consideration of the bill (H. R. 5174) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1954, and for other purposes.

The VICE PRESIDENT. The bill is open to amendment. If there be no further amendment to be proposed, the question is on the third reading and passage of the bill.

The bill (H. R. 5174) was ordered to a third reading, read the third time, and passed.

PREVENTION, DETECTION, AND PUNISHMENT OF CRIME IN THE DISTRICT OF COLUMBIA

The VICE PRESIDENT. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 1946) to provide for the more effective prevention, detection, and punishment of crime in the District of Columbia.

INTEREST RATES AND DEBT MANAGEMENT

Mr. BUSH. Mr. President, yesterday in this Chamber there was considerable discussion of the question of interest rates and related questions. The discussion was led by the distinguished Senator from Minnesota [Mr. HUMPHREY]. In

*Passed Senate without
amendment.*

Calendar No. 377

83^D CONGRESS
1ST SESSION

H. R. 5174

[Report No. 373]

IN THE SENATE OF THE UNITED STATES

MAY 15, 1953

Read twice and referred to the Committee on Appropriations

JUNE 8, 1953

Reported by Mr. McCARTHY, without amendment

[Omit the part struck through and insert the part printed in italic]

AN ACT

Making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1954, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 TITLE I—TREASURY DEPARTMENT

4 That the following sums are appropriated, out of any money
5 in the Treasury not otherwise appropriated, for the Treasury
6 Department for the fiscal year ending June 30, 1954,
7 namely:

1 OFFICE OF THE SECRETARY

2 SALARIES AND EXPENSES

3 For necessary expenses in the Office of the Secretary,
4 including the operation and maintenance of the Treasury
5 Building and Annex thereof; and the purchase of uniforms
6 for elevator operators; \$2,400,000.

7 BUREAU OF ACCOUNTS

8 SALARIES AND EXPENSES

9 For necessary expenses of the Bureau of Accounts,
10 \$1,800,000: *Provided*, That Federal Reserve banks and
11 branches may be reimbursed for necessary expenses incident
12 to the deposit of taxes in Government depositories.

13 SALARIES AND EXPENSES, DIVISION OF DISBURSEMENT

14 For necessary expenses of the Division of Disbursement,
15 \$11,000,000.

16 BUREAU OF THE PUBLIC DEBT

17 ADMINISTERING THE PUBLIC DEBT

18 For necessary expenses connected with any public-debt
19 or currency issues of the United States, \$50,000,000 to be
20 expended as the Secretary of the Treasury may direct, and
21 the Secretary is authorized to accept services without com-
22 pensation: *Provided*, That Federal Reserve banks and
23 branches may be reimbursed for expenditures as fiscal agents
24 of the United States on account of public-debt transactions
25 for the account of the Secretary of the Treasury: *Provided*

1 *further*, That the indefinite appropriation provided by section
2 10 of the Second Liberty Bond Act, as amended (31 U. S. C.
3 760), shall not be available for obligation during the current
4 fiscal year.

5 OFFICE OF THE TREASURER

6 SALARIES AND EXPENSES

7 For necessary expenses of the Office of the Treasurer,
8 \$17,000,000.

9 CONTINGENT EXPENSES, PUBLIC MONEYS

10 For the collection, safekeeping, transfer, and disburse-
11 ment of the public money and securities of the United States,
12 \$350,000.

13 BUREAU OF CUSTOMS

14 SALARIES AND EXPENSES

15 For necessary expenses of the Bureau of Customs, in-
16 cluding examination of estimates of appropriations in the
17 field; expenses of attendance at meetings of organizations
18 concerned with the purposes of this appropriation; purchase
19 of fifty passenger motor vehicles for replacement only;
20 arms and ammunition; services as authorized by section
21 15 of the Act of August 2, 1946 (5 U. S. C. 55a);
22 and not to exceed \$1,220,000 for personal services in the
23 District of Columbia exclusive of ten persons from the field
24 force authorized to be detailed under law (19 U. S. C.
25 1525); \$40,500,000.

BUREAU OF INTERNAL REVENUE

SALARIES AND EXPENSES

For necessary expenses of the Bureau of Internal Revenue, including expenses, when specifically authorized by the Commissioner, of attendance at meetings of organizations concerned with internal-revenue matters; purchase (not to exceed one hundred for replacement only) and hire of passenger motor vehicles; examination of estimates of appropriations in the field; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), and of expert witnesses at such rates as may be determined by the Commissioner; and ammunition; \$266,000,000: *Provided*, That the amount for personal services in the District of Columbia shall not exceed \$18,410,000.

BUREAU OF NARCOTICS

SALARIES AND EXPENSES

For necessary expenses of the Bureau of Narcotics, including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); hire of passenger motor vehicles; arms and ammunition; and not to exceed \$10,000 for services or information looking toward the apprehension of narcotic law violators who are fugitives from justice; \$2,790,000.

UNITED STATES SECRET SERVICE

SALARIES AND EXPENSES

For necessary expenses of the United States Secret Service, including purchase (not to exceed twenty for replacement only) and hire of passenger motor vehicles; and arms and ammunition; \$2,500,000.

SALARIES AND EXPENSES, WHITE HOUSE POLICE

For necessary expenses of the White House Police, including uniforms and equipment, and arms and ammunition, purchases to be made in such manner as the President may determine, \$630,000.

SALARIES AND EXPENSES, GUARD FORCE

For necessary expenses of the guard force for Treasury Department buildings in the District of Columbia, including purchase, repair, and cleaning of uniforms; and arms and ammunition; \$375,000.

BUREAU OF THE MINT

SALARIES AND EXPENSES

For necessary expenses of the Bureau of the Mint, including arms and ammunition; purchase and maintenance of uniforms and accessories for guards; purchase of one passenger motor vehicle (for replacement only); examination of estimates of appropriations in the field; and not to

1 exceed \$1,000 for the expenses of the annual assay com-
2 mission; \$4,700,000.

3 COAST GUARD

4 OPERATING EXPENSES

5 For necessary expenses for the operation and mainte-
6 nance of the Coast Guard, not otherwise provided for, includ-
7 ing services as authorized by section 15 of the Act of
8 August 2, 1946 (5 U. S. C. 55a) ; purchase of not to exceed
9 thirty-two passenger motor vehicles for replacement only;
10 maintenance, operation, and repair of aircraft; recreation and
11 welfare; and examination of estimates of appropriations in
12 the field; \$188,250,000: *Provided*, That the number of air-
13 craft on hand at any one time shall not exceed one hundred
14 and thirty-seven exclusive of planes and parts stored to meet
15 future attrition: *Provided further*, That (a) the unobligated
16 balance of appropriation to the Coast Guard for the fiscal
17 year 1953 for "Operating expenses" shall be transferred on
18 July 1, 1953, to the account established by the Surplus
19 Fund-Certified Claims Act of 1949 for payment of certified
20 claims; (b) amounts equal to the unliquidated obligations
21 on July 1, 1953, against the appropriation "Operating ex-
22 penses", fiscal year 1953, and the appropriation for "Operat-
23 ing expenses" for the fiscal year 1952 which was merged
24 therewith pursuant to the Treasury Department Appropria-
25 tion Act, 1953, shall be transferred to and merged with

1 this appropriation, and such merged appropriation shall be
2 available as one fund, except for accounting purposes of the
3 Coast Guard, for the payment of obligations properly in-
4 curred against such prior year appropriations and against
5 this appropriation, but on July 1, 1954, there shall be
6 transferred from such merged appropriation to the appro-
7 priation for payment of certified claims (1) any remaining
8 unexpended balance of the 1952 appropriation so trans-
9 ferred, and (2) any remaining unexpended balance of the
10 1953 appropriation so transferred which is in excess of the
11 obligations then remaining unliquidated against such appro-
12 priation: *Provided further*, That except as otherwise author-
13 ized by the Act of September 30, 1950 (20 U. S. C. 236-
14 244), this appropriation shall be available for expenses of
15 primary and secondary schooling for dependents of Coast
16 Guard personnel stationed outside the continental United
17 States in amounts not exceeding an average of \$250 per
18 student, when it is determined by the Secretary that the
19 schools, if any, available in the locality are unable to provide
20 adequately for the education of such dependents, and the
21 Coast Guard may provide for the transportation of said de-
22 pendents between such schools and their places of residence
23 when the schools are not accessible to such dependents by
24 regular means of transportation.

1 ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

2 For necessary expenses of acquisition, construction, re-
3 building, and improvement of aids to navigation, shore
4 facilities, vessels, and aircraft, including equipment related
5 thereto; and services as authorized by section 15 of the Act
6 of August 2, 1946 (5 U. S. C. 55a) ; \$2,500,000, to remain
7 available until expended.

8 RETIREd PAY

9 For retired pay, including the payment of obligations
10 therefor incurred during prior fiscal years, \$18,600,000.

11 RESERVE TRAINING

12 For all necessary expenses for the Coast Guard Reserve,
13 as authorized by law (14 U. S. C. 751-762; 37 U. S. C.
14 231-319), including expenses for regular personnel, or re-
15 serve personnel while on active duty, engaged primarily in
16 administration of the reserve program; and the maintenance,
17 operation, and repair of aircraft; \$2,500,000: *Provided,*
18 That (a) the unobligated balance of appropriation to
19 the Coast Guard for the fiscal year 1953 for "Reserve train-
20 ing" shall be transferred on July 1, 1953, to the account
21 established by the Surplus Fund-Certified Claims Act of
22 1949 for payment of certified claims; (b) amounts equal to
23 the unliquidated obligations on July 1, 1953, against the
24 appropriation "Reserve training", fiscal year 1953, and
25 the appropriation "Reserve training", fiscal year 1952 which

1 was merged therewith pursuant to the Treasury Depart-
2 ment Appropriation Act, 1953, shall be transferred to and
3 merged with this appropriation, and such merged appropri-
4 ation shall be available as one fund, except for accounting
5 purposes of the Coast Guard, for the payment of obligations
6 properly incurred against such prior year appropriations and
7 against this appropriation, but on July 1, 1954, there shall
8 be transferred from such merged appropriation to the ap-
9 propriation for payment of certified claims (1) any remain-
10 ing unexpended balance of the 1952 appropriation so trans-
11 ferred and (2) any remaining unexpended balance of the
12 1953 appropriation so transferred which is in excess of the
13 obligations then remaining unliquidated against such
14 appropriation.

15 SEC. 102. This title may be cited as the "Treasury
16 Department Appropriation Act, 1954".

17 TITLE II—POST OFFICE DEPARTMENT

18 For administration and operation of the Post Office
19 Department and the postal service, there is hereby appro-
20 priated the aggregate amount of postal revenues for the
21 fiscal year ending June 30, 1954, as authorized by
22 law (39 U. S. C. 786, 794a), together with an amount
23 from any money in the Treasury not otherwise appropriated,
24 equal to the difference between such revenues and the total
25 of the appropriations hereinafter specified and the sum needed

1 may be advanced to the Post Office Department upon requi-
2 sition of the Postmaster General, for the following purposes,
3 namely:

4 GENERAL ADMINISTRATION

5 For expenses necessary for general administration of the
6 postal service, operation of the inspection service, and the
7 conduct of a research and development program, including
8 services as authorized by section 15 of the Act of August 2,
9 1946 (5 U. S. C. 55a) ; at least \$250,000 to be available
10 exclusively for procurement by contract of things and services
11 related to design, development, and construction of equip-
12 ment used in postal operations, and for contracts for manage-
13 ment studies; rewards for information and services concerning
14 violations of postal laws and regulations, current and prior
15 fiscal years, in accordance with regulations of the Postmaster
16 General in effect at the time the services are rendered or
17 information furnished; and expenses of delegates designated
18 by the Postmaster General to attend meetings and congresses
19 for the purpose of making postal arrangements with foreign
20 governments pursuant to law; and the expenses of delegates
21 provided for herein and not to exceed \$20,000 for rewards,
22 as provided for herein, shall be paid in the discretion of the
23 Postmaster General and accounted for solely on his certificate;
24 \$22,000,000.

1 POSTAL OPERATIONS

2 For expenses necessary for postal operations, not other-
3 wise provided for, and for other activities conducted by the
4 Post Office Department pursuant to law, including at least
5 \$500,000 to be available exclusively for manufacture and
6 procurement of improved devices for postal operations and
7 other activities; storage and repair of vehicles owned by,
8 or under control of, units of the National Guard and de-
9 partments and agencies of the Federal Government where
10 repairs are made necessary because of utilization of such
11 vehicles in the postal service, and not in excess of \$500,000
12 to carry out the purposes of Public Law 513, approved
13 July 11, 1952; \$2,229,450,000: *Provided*, That not to
14 exceed 5 per centum of any appropriation available to
15 the Post Office Department for the current fiscal year may
16 be transferred, with the approval of the Bureau of the Budget,
17 to any other such appropriation or appropriations; but the
18 appropriation "General Administration" shall not be in-
19 creased by more than \$10,000,000 as a result of such trans-
20 fers: *Provided further*, That functions financed by the ap-
21 propriations for the current fiscal year for "General Ad-
22 ministration" and for "Postal Operations," and the amounts
23 appropriated therefor, may be transferred, in addition to
24 the appropriation transfers otherwise authorized in this Act

1 and with the approval of the Bureau of the Budget, between
2 such appropriations to the extent necessary to improve
3 administration and operations.

4 TRANSPORTATION OF MAILS

5 For payments for transportation of domestic and foreign
6 mails by air, land, and water transportation facilities, includ-
7 ing current and prior fiscal years settlements with foreign
8 countries for handling of mail; and for expenses, exclusive
9 of personal services, necessary for operation of Govern-
10 ment-owned highway post office transportation service;
11 \$573,620,000.

12 CLAIMS

13 For settlement of claims, pursuant to law, current and
14 prior fiscal years, for damages (28 U. S. C. 2672; 31
15 U. S. C. 224c) ; losses resulting from unavoidable casualty
16 (39 U. S. C. 49) ; loss of or damage to mail, and failure to
17 remit collect-on-delivery charges (5 U. S. C. 372; 39
18 U. S. C. 244, 245a-1, 245b-1, 245d-1, 381, 382, 387) ;
19 and domestic money orders more than one year old (31
20 U. S. C. 725k) ; \$7,180,000.

21 GENERAL PROVISIONS

22 SEC. 202. Appropriations made in this title for general
23 administration and for postal operations shall be available
24 for examination of estimates of appropriations in the field.

25 SEC. 203. Appropriations made in this title, except those

1 for payment of claims, shall be available for expenditures in
2 connection with accident prevention.

3 SEC. 204. Appropriations made in this title available
4 for expenses of travel shall be available, under regulations
5 prescribed by the Postmaster General, for expenses of at-
6 tendance at meetings of technical, scientific, professional, or
7 other similar organizations concerned with the function or
8 activity for which the appropriation concerned is made.

9 SEC. 205. This title may be cited as the "Post Office
10 Department Appropriation Act, 1954".

11 TITLE III—GENERAL PROVISIONS

12 SEC. 301. No part of any appropriation contained
13 in this Act shall be used to pay the salary or wages
14 of any person who engages in a strike against the
15 Government of the United States or who is a member
16 of an organization of Government employees that as-
17 serts the right to strike against the Government of the
18 United States, or who advocates, or is a member of an
19 organization that advocates, the overthrow of the Govern-
20 ment of the United States by force or violence: *Provided,*
21 That for the purposes hereof an affidavit shall be considered
22 prime facie evidence that the person making the affidavit has
23 not contrary to the provisions of this section engaged in a
24 strike against the Government of the United States, is not a
25 member of an organization of Government employees that

1 asserts the right to strike against the Government of the
2 United States, or that such person does not advocate, and
3 is not a member of an organization that advocates, the over-
4 throw of the Government of the United States by force or
5 violence: *Provided further*, That any person who engages
6 in a strike against the Government of the United States or
7 who is a member of an organization of Government em-
8 ployees that asserts the right to strike against the Govern-
9 ment of the United States, or who advocates, or who is a
10 member of an organization that advocates, the overthrow of
11 the Government of the United States by force or violence
12 and accepts employment the salary or wages for which are
13 paid from any appropriation or fund contained in this Act
14 shall be guilty of a felony and, upon conviction, shall be fined
15 not more than \$1,000 or imprisoned for not more than one
16 year, or both: *Provided further*, That the above penalty
17 clause shall be in addition to, and not in substitution for,
18 any other provisions of existing law.

19 SEC. 302. This Act may be cited as the "Treasury
20 and Post Office Departments Appropriation Act, 1954".

Passed the House of Representatives May 14, 1953.

Attest:

LYLE O. SNADER,

Clerk.

83d CONGRESS
1st Session

H. R. 5174

[Report No. 373]

AN ACT

Making appropriations for the Treasury and
Post Office Departments for the fiscal year
ending June 30, 1954, and for other purposes.

MAY 15, 1953

Read twice and referred to the Committee on
Appropriations

JUNE 8, 1953

Reported with amendments

Public Law 73 - 83d Congress
Chapter 132 - 1st Session
H. R. 5174

AN ACT

All 67 Stat. 67.

Making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1954, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—TREASURY DEPARTMENT

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Treasury Department for the fiscal year ending June 30, 1954, namely:

Treasury and
Post Office
Departments
Appropriation
Act, 1954.

Treasury De-
partment Ap-
propriation
Act, 1954.

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

For necessary expenses in the Office of the Secretary, including the operation and maintenance of the Treasury Building and Annex thereof; and the purchase of uniforms for elevator operators; \$2,400,000.

BUREAU OF ACCOUNTS

SALARIES AND EXPENSES

For necessary expenses of the Bureau of Accounts, \$1,800,000: *Provided*, That Federal Reserve banks and branches may be reimbursed for necessary expenses incident to the deposit of taxes in Government depositories.

SALARIES AND EXPENSES, DIVISION OF DISBURSEMENT

For necessary expenses of the Division of Disbursement, \$11,000,000.

BUREAU OF THE PUBLIC DEBT

ADMINISTERING THE PUBLIC DEBT

For necessary expenses connected with any public-debt or currency issues of the United States, \$50,000,000 to be expended as the Secretary of the Treasury may direct, and the Secretary is authorized to accept services without compensation: *Provided*, That Federal Reserve banks and branches may be reimbursed for expenditures as fiscal agents of the United States on account of public-debt transactions for the account of the Secretary of the Treasury: *Provided further*, That the indefinite appropriation provided by section 10 of the Second Liberty Bond Act, as amended (31 U. S. C. 760), shall not be available for obligation during the current fiscal year. 40 Stat. 292.

OFFICE OF THE TREASURER

SALARIES AND EXPENSES

For necessary expenses of the Office of the Treasurer, \$17,000,000.

CONTINGENT EXPENSES, PUBLIC MONEYS

For the collection, safekeeping, transfer, and disbursement of the public money and securities of the United States, \$350,000.

BUREAU OF CUSTOMS

SALARIES AND EXPENSES

For necessary expenses of the Bureau of Customs, including examination of estimates of appropriations in the field; expenses of attendance at meetings of organizations concerned with the purposes of this appropriation; purchase of fifty passenger motor vehicles for replacement only; arms and ammunition; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); and not to exceed \$1,220,000 for personal services in the District of Columbia exclusive of ten persons from the field force authorized to be detailed under law (19 U. S. C. 1525); \$40,500,000.

60 Stat. 810.

46 Stat. 741.

BUREAU OF INTERNAL REVENUE

SALARIES AND EXPENSES

For necessary expenses of the Bureau of Internal Revenue, including expenses, when specifically authorized by the Commissioner, of attendance at meetings of organizations concerned with internal-revenue matters; purchase (not to exceed one hundred for replacement only) and hire of passenger motor vehicles; examination of estimates of appropriations in the field; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), and of expert witnesses at such rates as may be determined by the Commissioner; and ammunition; \$266,000,000: *Provided*, That the amount for personal services in the District of Columbia shall not exceed \$18,410,000.

60 Stat. 810.

BUREAU OF NARCOTICS

SALARIES AND EXPENSES

For necessary expenses of the Bureau of Narcotics, including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); hire of passenger motor vehicles; arms and ammunition; and not to exceed \$10,000 for services or information looking toward the apprehension of narcotic law violators who are fugitives from justice; \$2,790,000.

60 Stat. 810.

UNITED STATES SECRET SERVICE

SALARIES AND EXPENSES

For necessary expenses of the United States Secret Service, including purchase (not to exceed twenty for replacement only) and hire of passenger motor vehicles; and arms and ammunition; \$2,500,000.

SALARIES AND EXPENSES, WHITE HOUSE POLICE

For necessary expenses of the White House Police, including uniforms and equipment, and arms and ammunition, purchases to be made in such manner as the President may determine, \$630,000.

SALARIES AND EXPENSES, GUARD FORCE

For necessary expenses of the guard force for Treasury Department buildings in the District of Columbia, including purchase, repair, and cleaning of uniforms; and arms and ammunition; \$375,000.

BUREAU OF THE MINT

SALARIES AND EXPENSES

For necessary expenses of the Bureau of the Mint, including arms and ammunition; purchase and maintenance of uniforms and accessories for guards; purchase of one passenger motor vehicle (for replacement only); examination of estimates of appropriations in the field; and not to exceed \$1,000 for the expenses of the annual assay commission; \$4,700,000.

COAST GUARD

OPERATING EXPENSES

For necessary expenses for the operation and maintenance of the Coast Guard, not otherwise provided for, including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); 60 Stat. 810.
purchase of not to exceed thirty-two passenger motor vehicles for replacement only; maintenance, operation, and repair of aircraft; recreation and welfare; and examination of estimates of appropriations in the field; \$188,250,000: *Provided*, That the number of aircraft on hand at any one time shall not exceed one hundred and thirty-seven exclusive of planes and parts stored to meet future attrition: *Provided further*, That (a) the unobligated balance of appropriation to the Coast Guard for the fiscal year 1953 for "Operating expenses" shall be transferred on July 1, 1953, to the account established by the Surplus Fund-Certified Claims Act of 1949 for payment of certified claims; (b) amounts equal to the unliquidated obligations on July 1, 1953, against the appropriation "Operating expenses", fiscal year 1953, and the appropriation for "Operating expenses" for the fiscal year 1952 which was merged therewith pursuant to the Treasury Department Appropriation Act, 1953, shall be transferred to and merged with this appropriation, and such merged appropriation shall be available as one fund, except for accounting purposes of the Coast Guard, for the payment of obligations properly incurred against such prior year appropriations and against this appropriation, but on July 1, 1954, there shall be transferred from such merged appropriation to the appropriation for payment of certified claims (1) any remaining unexpended balance of the 1952 appropriation so transferred, and (2) any remaining unexpended balance of the 1953 appropriation so transferred which is in excess of the obligations then remaining unliquidated against such appropriation: *Provided further*, That except as otherwise authorized by the Act of September 30, 1950 (20 U. S. C. 236-244), this appropriation shall be available for expenses of primary and secondary schooling for dependents of Coast Guard personnel stationed outside the continental United States in amounts not exceeding an average of \$250 per student, when it is determined by the Secretary that the schools, if any, available in the locality are unable to provide adequately for the education of such dependents, and the Coast Guard may provide for the transportation of said dependents between such schools and their places of residence when the schools are not accessible to such dependents by regular means of transportation. 63 Stat. 407.
31 USC 712a
note.
66 Stat. 291.
64 Stat. 1100.

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

For necessary expenses of acquisition, construction, rebuilding, and improvement of aids to navigation, shore facilities, vessels, and aircraft, including equipment related thereto; and services as authorized

All 67 Stat. 70.

60 Stat. 810. by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a) ; \$2,500,000, to remain available until expended.

RETIRED PAY

For retired pay, including the payment of obligations therefor incurred during prior fiscal years, \$18,600,000.

RESERVE TRAINING

63 Stat. 551, 804. For all necessary expenses for the Coast Guard Reserve, as authorized by law (14 U. S. C. 751-762; 37 U. S. C. 231-319), including expenses for regular personnel, or reserve personnel while on active duty, engaged primarily in administration of the reserve program; and the maintenance, operation, and repair of aircraft; \$2,500,000: *Provided*, That (a) the unobligated balance of appropriation to the Coast Guard for the fiscal year 1953 for "Reserve training" shall be transferred on July 1, 1953, to the account established by the Surplus Fund-Certified Claims Act of 1949 for payment of certified claims; (b) amounts equal to the unliquidated obligations on July 1, 1953, against the appropriation "Reserve training", fiscal year 1953, and the appropriation "Reserve training", fiscal year 1952 which was merged therewith pursuant to the Treasury Department Appropriation Act, 1953, shall be transferred to and merged with this appropriation, and such merged appropriation shall be available as one fund, except for accounting purposes of the Coast Guard, for the payment of obligations properly incurred against such prior year appropriations and against this appropriation, but on July 1, 1954, there shall be transferred from such merged appropriation to the appropriation for payment of certified claims (1) any remaining unexpended balance of the 1952 appropriation so transferred and (2) any remaining unexpended balance of the 1953 appropriation so transferred which is in excess of the obligations then remaining unliquidated against such appropriation.

Citation of title. Sec. 102. This title may be cited as the "Treasury Department Appropriation Act, 1954".

Post Office Department Appropriation Act, 1954.

TITLE II—POST OFFICE DEPARTMENT

64 Stat. 461.

For administration and operation of the Post Office Department and the postal service, there is hereby appropriated the aggregate amount of postal revenues for the fiscal year ending June 30, 1954, as authorized by law (39 U. S. C. 786, 794a), together with an amount from any money in the Treasury not otherwise appropriated, equal to the difference between such revenues and the total of the appropriations hereinafter specified and the sum needed may be advanced to the Post Office Department upon requisition of the Postmaster General, for the following purposes, namely:

GENERAL ADMINISTRATION

60 Stat. 810. For expenses necessary for general administration of the postal service, operation of the inspection service, and the conduct of a research and development program, including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a) ; at least \$250,000 to be available exclusively for procurement by contract of things and services related to design, development, and construction of equipment used in postal operations, and for contracts for management studies; rewards for information and services concerning violations of postal laws and regulations, current and prior fiscal years, in

accordance with regulations of the Postmaster General in effect at the time the services are rendered or information furnished; and expenses of delegates designated by the Postmaster General to attend meetings and congresses for the purpose of making postal arrangements with foreign governments pursuant to law; and the expenses of delegates provided for herein and not to exceed \$20,000 for rewards, as provided for herein, shall be paid in the discretion of the Postmaster General and accounted for solely on his certificate; \$22,000,000.

POSTAL OPERATIONS

For expenses necessary for postal operations, not otherwise provided for, and for other activities conducted by the Post Office Department pursuant to law, including at least \$500,000 to be available exclusively for manufacture and procurement of improved devices for postal operations and other activities; storage and repair of vehicles owned by, or under control of, units of the National Guard and departments and agencies of the Federal Government where repairs are made necessary because of utilization of such vehicles in the postal service, and not in excess of \$500,000 to carry out the purposes of Public Law 513, approved July 11, 1952; \$2,229,450,000: *Provided*, That not to exceed 5 per centum of any appropriation available to the Post Office Department for the current fiscal year may be transferred, with the approval of the Bureau of the Budget, to any other such appropriation or appropriations; but the appropriation "General Administration" shall not be increased by more than \$10,000,000 as a result of such transfers: *Provided further*, That functions financed by the appropriations for the current fiscal year for "General Administration" and for "Postal Operations," and the amounts appropriated therefor, may be transferred, in addition to the appropriation transfers otherwise authorized in this Act and with the approval of the Bureau of the Budget, between such appropriations to the extent necessary to improve administration and operations.

Mail Equip-
ment Shops,
D. C.
66 Stat. 589.

TRANSPORTATION OF MAILS

For payments for transportation of domestic and foreign mails by air, land, and water transportation facilities, including current and prior fiscal years settlements with foreign countries for handling of mail; and for expenses, exclusive of personal services, necessary for operation of Government-owned highway post office transportation service; \$573,620,000.

CLAIMS

For settlement of claims, pursuant to law, current and prior fiscal years, for damages (28 U. S. C. 2672; 31 U. S. C. 224c); losses resulting from unavoidable casualty (39 U. S. C. 49); loss of or damage to mail, and failure to remit collect-on-delivery charges (5 U. S. C. 372; 39 U. S. C. 244, 245a-1, 245b-1, 245d-1, 381, 382, 387); and domestic money orders more than one year old (31 U. S. C. 725k); \$7,180,000.

62 Stat. 983;
48 Stat. 1207.
22 Stat. 29.

37 Stat. 558;
65 Stat. 675,
676; 41 Stat.
581; 62 Stat.
1265.
48 Stat. 1229.

GENERAL PROVISIONS

SEC. 202. Appropriations made in this title for general administration and for postal operations shall be available for examination of estimates of appropriations in the field.

SEC. 203. Appropriations made in this title, except those for payment of claims, shall be available for expenditures in connection with accident prevention.

SEC. 204. Appropriations made in this title available for expenses of travel shall be available, under regulations prescribed by the Post-

master General, for expenses of attendance at meetings of technical, scientific, professional, or other similar organizations concerned with the function or activity for which the appropriation concerned is made.

Citation of
title.

SEC. 205. This title may be cited as the "Post Office Department Appropriation Act, 1954".

TITLE III—GENERAL PROVISIONS

Strikes or
overthrow of
Government.

SEC. 301. No part of any appropriation contained in this Act shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation or fund contained in this Act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

Affidavit.

Penalty.

Short title.

SEC. 302. This Act may be cited as the "Treasury and Post Office Departments Appropriation Act, 1954".

Approved June 18, 1953.

